



Politburo members voting at a meeting of the Supreme Soviet Wednesday. They included, in the front row from left, Foreign Minister Andrei A. Gromyko, Konstantin U. Chernenko, and Prime Minister Nikolai A. Tikhonov.

Andropov Misses 3d Key Political Meeting

By Robert Gillette
Los Angeles Times Service

MOSCOW — The Soviet Union's nominal parliament, the Supreme Soviet, opened a brief session in the Kremlin Wednesday with its ailing president, Yuri V. Andropov, absent.

He had also failed to appear at plenary sessions of the Communist Party Central Committee Monday and Tuesday.

Mr. Andropov's prolonged absence from the political scene because of an undisclosed ailment has prompted speculation that a power vacuum may be developing in the Soviet leadership, but references to Mr. Andropov by officials and the press indicate that he remains in authority.

Mr. Andropov, who was named president of the Supreme Soviet last June, would ordinarily have been expected to preside over the current session. The Supreme Soviet, formerly the highest ruling

body, is meeting to rubber stamp the 1984 state budget and economic plan.

The 1,500 elected deputies were given no explanation for Mr. Andropov's absence.

Mr. Andropov did not send any message of greeting or expression of regret for his absence, as he did when he failed to appear at a meeting of the Communist Party's Central Committee on Monday, citing "temporary causes."

Prime Minister Nikolai A. Tikhonov presided over the session from Mr. Andropov's seat.

An unidentified member of the Central Committee was reported by United Press International on Wednesday to have said privately that Mr. Andropov was hospitalized but was "recovering."

He was quoted as saying the nature of his illness is a state secret, but that it was not a kidney ailment as has been reported in the West. Some Western diplomats expressed skepticism at the report,

saying it may have been planted in an effort to quash speculation that the Soviet leader is suffering from an irreversible, degenerative disease that has left him little time to live.

Despite his prolonged absence, the signs remain favorable for Mr. Andropov.

Official media, ignoring his failure to appear at the Supreme Soviet, have published a stream of praise for his remarks on the economy earlier this week. Similarly, Finance Minister Vasily Garbuzov, outlining the 1984 economic plan to the Supreme Soviet, quoted Mr. Andropov five times.

Tass announced Wednesday that workers' organizations in Moscow's Proletarsky district have nominated Mr. Andropov to run for election as their deputy to the Supreme Soviet in showcase elections set for March 4.

Figures outlined by Mr. Garbuzov and the state economic planning chief, Nikolai Baibakov, sup-

ported Mr. Andropov's statement earlier this week that the economy was improving, although it still suffered from many ills.

Industrial output, a leading indicator of economic performance, was said to have risen 4 percent this year, well ahead of the 3.2 percent target.

Mr. Baibakov said next year's target has been set at 3.8 percent, a figure Western analysts said was realistic.

Despite rumors that an increased defense budget might be announced in retaliation for new U.S. missiles in Europe, next year's figure was the same as the last three, 17.054 billion rubles, the equivalent of \$22.17 billion.

Western experts agree that this official figure vastly understates Soviet military expenditures, which are thought to equal 13 percent to 14 percent of the gross national product, more than twice the share of national resources the United States devotes to defense.

U.S. Said To Inform UNESCO of Withdrawal

By Jonathan Gage
International Herald Tribune

PARIS — The Reagan administration has officially notified UNESCO that it intends to end U.S. participation in the agency at the end of next year, UNESCO sources said here Wednesday.

The sources did not say whether the administration had set conditions for remaining in UNESCO. However, U.S. officials in Paris and Washington indicated earlier Wednesday that the Reagan administration had decided to withdraw unless the agency curtailed what were considered to be objectionable practices and political activities.

The office of the agency's director-general, Amadou Mahtar M'Bow of Senegal, declined to confirm or deny that the agency had been informed of any U.S. intent to withdraw.

In Washington, the State Department spokesman, John Hughes, declined to confirm the reports, saying that an announcement was expected Thursday. The U.S. delegation to UNESCO also refused to comment.

Formal notification of a pullout from the agency would have to be made by Saturday, the last day of 1983, to take effect a year later.

UNESCO officials and observers reacted Wednesday with surprise and, in most cases, dismay to the reported U.S. intention to quit the agency.

The United States, which contributes 25 percent of the budget of the United Nations Educational, Scientific and Cultural Organization, threatened earlier this year to withdraw.

Last summer, the State Department began a review of the agency's activities. It completed the study last week and recommended to President Ronald Reagan that the United States withdraw from the agency beginning in 1985.

Administration officials have frequently objected to what they call the agency's politicization, anti-Western bias and wasteful spending.

Jean Gerard, the U.S. delegate to UNESCO, has recommended a U.S. withdrawal, saying: "I think the place is so skewed, so radical, that it is not serving the purpose it is supposed to be serving, which is development."

UNESCO officials here were wary Wednesday of commenting publicly on the U.S. decision to withdraw until the Reagan administration made an official announcement.

Despite the State Department's report to Mr. Reagan recommending a U.S. withdrawal, many UNESCO officials here expressed surprise that the United States would do so after a general conference in November that they said was marked by conciliation and moderation.

The 161-nation conference adopted a two-year program that reached a compromise on demands by the Soviet bloc and many Third World nations for fundamental changes in communications, called



Amadou Mahtar M'Bow

Reagan's Bomb Pardon: A Blow to Military Law?

By Philip Taubman
New York Times Service

WASHINGTON — President Ronald Reagan has, in effect, removed the issue of individual accountability from the Pentagon's review of the terrorist attack that killed 241 U.S. soldiers in Beirut.

Mr. Reagan announced Tuesday that military commanders should not be punished for security failures in Lebanon that left the marines vulnerable to the truck bombing of their headquarters on Oct. 23.

The president acted before the completion of the Defense Department's review and before the publication of a Pentagon report on the bombing, senior officials said, to head off disciplinary action and to reduce the negative impact the report might have on the Marines and administration policy in Lebanon.

While many current and former military officers welcomed Mr. Reagan's conclusion that a general failure to appreciate the dangers of state-sponsored terrorism was primarily responsible for the vulnerability of the U.S. compound, some said the president's action could undermine the military legal system and the principle that officers are accountable for the safety of their troops.

"I'm astonished that he moved so quickly to pre-empt the possibility of formal punishment," said a retired senior officer close to the Pentagon commission that investigated the attack. He added: "If the system isn't given a chance to establish accountability, how can you expect officers to fear the results of failure?"

Mr. Reagan's announcement apparently caught senior military officers by surprise as they were meeting Tuesday to consider possible disciplinary action.

The discussions, which began last week, were prompted by the report on the truck bombing prepared by a special commission headed by a retired admiral, Robert L.J. Long.

A White House official said Tuesday that the report, which has not been made public, identified failures in the chain of command above the Marines and recom-

Pentagon Seeks 'Urgent' Review Of Lebanon Role

The Associated Press

WASHINGTON — A Pentagon investigation into the suicide bombing that killed 241 U.S. servicemen in Beirut said Wednesday that there was an "urgent need" to review the entire U.S. military mission.

The finding is likely to provide ammunition for critics of the U.S. peacekeeping mission in Lebanon. President Ronald Reagan made it clear Tuesday that he considered it essential for the future of

Lebanon that the U.S. Marines stay in Beirut.

The board of inquiry also criticized flaws in security and the military chain of command, which it said opened the way to the Oct. 23 terrorist bombing.

It recommended that disciplinary action be considered against U.S. officers for allowing a terrorist to crash an explosives-laden truck into a building filled with sleeping marines.

But Mr. Reagan had also rejected that conclusion in advance, saying that he accepted full responsibility and did not want them punished.

The 1,800 marines in Beirut are part of a four-nation peacekeeping force, part of whose mission is to back the government of President Amin Gemayel.

The five-member Pentagon board called for a "re-examination of alternative means of achieving U.S. objectives in Lebanon, to include a comprehensive assessment of the military security options being developed by the chain of command and a more vigorous and demanding approach to pursuing diplomatic alternatives."

The panel, headed by Robert L.J. Long, a retired admiral, did not spell out what alternatives it meant, but it noted that use of the marines' "presence" in support of the Gemayel government led to confusion about the military mission.

Among the board's findings were:

- State-sponsored terrorism "is a threat to the United States that is increasing at an alarming rate."
- There was a "lack of effective command supervision" of the "security posture" before the bombing. The chain of command failed "to monitor and supervise effectively the security measures."
- While the Marines received "a large volume of intelligence warnings concerning potential terrorist threats," they did not get "timely intelligence, tailored to specific operational needs, that was necessary to defend against the broad spectrum of threats."
- Putting 350 servicemen in a single headquarters building was a mistake that "contributed to the catastrophic loss of life."
- Representative Barbara A. Mikulski, Democrat of Maryland, said Wednesday that when Congress reconvenes next month, she will introduce a resolution calling for the resignation of Defense Secretary Caspar W. Weinberger.
- "We now know that our secretary of defense has miscalculated and mismanaged our mission in Lebanon," she said. "Even the bombing of our embassy in Beirut last spring was not sufficient enough warning to Mr. Weinberger to direct our military to take the necessary precautions against the grim realities of terrorism."
- In a separate development, a U.S. State Department spokesman said Wednesday that Italy has told the United States that its 2,100 troops would remain in Lebanon despite a statement attributed to President Sandro Pertini that they must be withdrawn.
- "The Italian government continues to share our view on the importance of the force as a symbol of the West's desire and will to help achieve Lebanese reconciliation, stability and the withdrawal of all foreign forces," the spokesman said.
- "We also understand that the president's comments on the United States and Israel were apparently misquoted or misunderstood."
- Israeli Patrol Ambushed**
Israeli troops ambushed an Israeli army patrol in southern Lebanon Wednesday, killing one soldier and wounding two, The Associated Press reported from Tel Aviv.
- The military command said the patrol came under small-arms and bazooka fire from ambushers on rocky, bushy terrain three miles (four kilometers) south of Kfar Houn in southern Lebanon.
- Jumbhat Pessimistic**
Lebanon's Druze leader, Walid Jumblat, said Wednesday that reconciliation with the government of Mr. Gemayel "has become impossible," raising the possibility of renewed civil war, The Associated Press reported from Beirut.
- Mr. Jumblat, whose militiamen control the mountains overlooking the U.S. Marine base at Beirut International Airport, accused the Lebanese Army of teaming up with Christian militiamen to shell Druze and Shiite Muslim population centers.
- Kreisky Calls for Pullout**
Austria's former chancellor, Bruno Kreisky, returning from a two-day visit to Libya, suggested Wednesday that U.S. French and Italian troops in Lebanon be replaced by a "real peace force" of troops from neutral and African nations.
- Mr. Kreisky, who met with Libya's leader, Colonel Moammar Qadhafi, called for the withdrawal of Israeli and Syrian troops.

Soviet Allies Uneasy Over New Arms

By James M. Markham
New York Times Service

BONN — Across Eastern Europe, but particularly in Czechoslovakia and East Germany, there are increasing signs of popular as well as official disquiet over the planned deployment of new Soviet short-range nuclear missiles.

Since Moscow announced on Oct. 24 that preparatory work had started in East Germany and Czechoslovakia "for the deployment of operational tactical missile complexes" — supposedly in retaliation for U.S. missiles in Western Europe — Warsaw Pact governments have been going to unusual lengths to explain the step.

The symptoms of unease have been notable in Czechoslovakia, whose hard-line government tolerates little dissent.

Usually reliable Western informants have received a copy of a petition to Gustav Husak, the Czechoslovak Communist Party chief, in which 24 members of the Socialist Labor Brigade of the Victorious Factory in Hradec Kralove, 60 miles (100 kilometers) east of Prague, protested the installation of the new missiles and demanded "the immediate dismantling of all similarly equipped rockets that have been deployed on the territory of our state for some time."

The signers of the petition, dated Jan. 10, "also demand a reduction in the armaments budget, which is an excessive drain on the state budget and contributes toward constantly rising living costs," they assert that the Soviet Union "begins with the deployment of the SS missiles and with constant arming, although it had not been and is not threatened by anyone."

Western analysts of Eastern Europe also found intriguing a report by Radio Prague and the official Czechoslovak press agency, CTK, on Oct. 26. Reporting on deliberations of the parliament, the radio

and press agency said the body had urged continuation of the Soviet-U.S. talks in Geneva.

The same day, Soviet radio reported that Yuri V. Andropov, the Soviet leader, had declared that "deployment of new American missiles in Western Europe would make it impossible to continue the current negotiations in Geneva." CTK canceled its report, highlighting a rare slip-up in ideological coordination between Prague and Moscow.

On Nov. 10, Rude Pravo, the Czechoslovak party daily, acknowledged receiving "stacks of letters" from citizens expressing anxiety over the projected Soviet deployments, which they feared might make their country a target or alienate Western anti-missile activists.

Some letter writers apparently had difficulty reconciling the Soviet deployment with the Warsaw Pact's insistence on its own peace intentions.

In East Germany, the government has initiated a crackdown on an autonomous pacifist movement that has questioned Soviet strategic planning as well as Western missile deployments. The signal for a wave of arrests in East Berlin, Leipzig, Weimar, Halle, Potsdam, Jena, and Karl-Marx-Stadt appears to have been the West German Bundestag's approval on Nov. 22 of the U.S. missiles.

On Dec. 12, Bärbel Bohley and Ulrike Poppe, two activists in a group called Women for Peace, were arrested and charged with "treasonous divulging of information" to pacifists in the West. They had organized a private kindergarten to avoid militaristic indoctrination in official schools.

Petra Kelly, a leader of the Greens, a pacifist and environmentalist party in West Germany, accused the East German government of hypocrisy in encouraging anti-missile activities in the West

and cracking down on them at home.

Before the Bundestag vote on Nov. 22, Miss Kelly and other Greens had been welcomed by Erich Honecker, the party leader, in East Berlin. Now they and other disarmament activists have difficulty in getting into East Germany.

But East German Protestant church groups continue to oppose the new Soviet missiles. In Rostock, more than 100 people signed an appeal this month saying that the weapons made nuclear war more likely. The synod of the Evangelical Church in Saxony said "We hold fast and say 'no' to new rockets here." At Christmas services in East Berlin, Bishop Gotfried Forck blessed conscientious objectors.

The East German authorities, meanwhile, burdened by a heavy foreign debt, have expressed concern about the cost of the missiles, which the East German and Czechoslovak governments will have to buy.

In an otherwise bellicose speech, the East German defense minister, General Heinz Hoffmann, told the Communist Party's Central Committee last month that "it is clear that these measures will not be easy for us."

"The corresponding personal, material, and financial consequences must be considered in the context of the existing economic circumstances," General Hoffmann said.

In Bulgaria, President Todor Zhivkov sounded a similar theme in a speech to a trade union gathering in Sofia. He said the "retaliatory" deployments by the Warsaw Pact would inevitably bring economic planning in Eastern Europe.

And in Romania, President Nicolae Ceausescu, who has struck a somewhat independent foreign policy, has called on both the United States and the Soviet Union to stop their deployments of nuclear missiles.

INSIDE

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■ Pennzoil offered to pay \$1.6 billion for a 20-percent stake in Getty Oil. Page 11.

■ TWA will be spun off under a plan approved by the parent company. Page 11.

TOMORROW
■ Michel Tournier, the French author, gives the English a look at an *homme de lettres*. Mary Blume reports. In Weekend.

Arabs vs. Jews: A Tale of Stereotypes

Palestinians See Jewish Rulers as Violent and Permissive

By David K. Shipler
New York Times Service

DHEISHEH REFUGEE CAMP. Israeli-Occupied West Bank — The 11-year-old Arab girl has freckles on her nose and wears a red ribbon at the top of a long braid that swings to and fro along her back. Her name is Amal Abu al-Jamhiya. Amal means hope. She has never seen a Jew without a gun.

In the labyrinth of pathways that meander among the cold concrete houses of her slum, a refugee camp that has been under Israeli military occupation since six years before she was born, Amal sees only two kinds of Jews: uniformed soldiers and civilian settlers, usually running through the camp after children who have thrown stones at Israeli cars and buses.

She has never spoken to a Jew. She says she never wants to.

"Do you like Jews?" she is asked. "No."

"Why not?"

"They attack our houses, breaking everything, building settlements."

Why would she not want to talk with any Jews? "Because they are our enemies."

And what is her dream in life? "To get back our land."

How? "Demonstrate." And then, after a moment's thought, this cute girl with freckles adds, "We must use guns."

A Land Divided

Second of a series

Anti-Jewish tracts abound in the West Bank despite Israeli efforts at censorship. Page 2.

Army has recently erected across all the camp's exits to the main road to discourage stone-throwers.

Although the 5,000 camp residents may leave and enter through a back way, they smile angrily when they call their slum their "ghetto," relishing the opportunity to turn the language of Jewish suffering against the Jews.

Nadir al-Faraj, 13, a boy with a film of pain across his eyes, likes to throw stones. Jews have tried to talk to him. "Sometimes soldiers call to speak with me," he says. "but I refuse and run away." What does he want to be when he grows up? "Fedayeen," he says firmly.

Across the pre-1967 border, inside Israel proper, the Arabs who have lived as Israeli citizens since 1948 are generally less militant, although they have their prejudices. Some say to each other, "Don't

behave like a Jew," by which they mean arrogant or stingy.

The common stereotypes of Jews held by Israeli Arabs include violence, sexual permissiveness, greed, meanness, technological superiority and a lack of personal warmth.

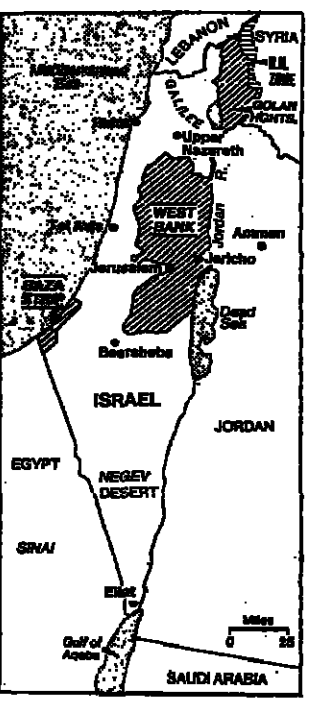
"There is awe of Jews, and envy," said Peter Schakhtman, 23, an American Jew from Buffalo, New York, who is living in an Arab village as part of Interns for Peace, a program to increase Arab-Jewish contacts and understanding. To many Arabs, who judge by their own standards of effusive hospitality, "Jews are cold. Jews are inhospitable," Mr. Schakhtman said.

Violence is a heavy theme. Street games involve fantasies of Arab-Jewish battles. Walid Sadiq, a teacher and member of the town council of the Arab village of Taibe, northeast of Tel Aviv, and other Arabs say that their small sons and daughters, watching cowboy movies on television, think the Arabs are fighting the Jews.

After Lebanese Christian Phalangists massacred Palestinians in two Beirut refugee camps in September 1982, many Arab parents told their children that "the Jews" had done it.

"When you say, 'Jew,' they immediately think of a violent policeman," said Khalil Samar, a school principal from Tamra in Galilee. "If you ask a Jew, 'What do you think of an Arab?' they think terrorist or worse."

Some Arabs find that their most emotional and complex contacts with Jewish society come in relations between the sexes. Here, each



Israel rules 3.3 million Jews and nearly 2 million Arabs, including those resident in the occupied territories.

New Doubt Voiced on Aquino Killing

Reuters

MANILA — A Philippine Airlines technician who was at Manila International Airport at the time of the fatal shooting of Benigno S. Aquino Jr., the opposition leader, said Wednesday that his observations had made him doubt that the killer was the person accused by the military.

Ramón Balang, 28, a ground engineer for the airline, appeared before the commission investigating Mr. Aquino's assassination Aug. 21 at the airport. Mr. Balang told the panel that the accused killer, Rolando Galman, did not appear to be in a position to shoot Mr. Aquino.

lines maintenance man, Reuben Regalado, made a similar assertion in an interview with NBC News. Mr. Regalado said he had seen the accused assassin being held by military forces before Mr. Aquino was killed. Mr. Regalado had not testified before the panel.

On Tuesday, the government filed a \$285,000 libel suit against Mr. Regalado.

The military has insisted that Mr. Galman, whom it has identified as a hired gunman and Communist guerrilla, shot Mr. Aquino as he was being escorted from the aircraft that returned him to the Philippines from three years of self-imposed exile in the United States.

Mr. Galman was shot to death by security forces at the airport.

In his testimony, Mr. Balang said he had seen Mr. Galman standing with soldiers. "I do not think Galman had the opportunity to shoot Aquino," he said.

"His position and manner — he was just standing there, smiling at the Avsec men — made it difficult for him to shoot Mr. Aquino."

Avsecom is an acronym for Aviation Security Command, the military corps assigned to the airport.

"He did not have a chance to fire a gun, I think," Mr. Balang said, adding that he was inspecting the plane at the time of the shooting. Mr. Balang said he did not see who fired the shots.

Pretoria Says Russia, Cuba Assist Guerrillas Moving Into Namibia

Compiled by Our Staff From Dispatches
JOHANNESBURG — South Africa's state-run radio accused the Soviet Union and Cuba on Wednesday of being behind a push by 1,000 guerrillas from Angola into South-West Africa, also known as Namibia.

Reuters quoted an informed defense source in Pretoria as saying

South Africa May Conscript Immigrants

JOHANNESBURG — Young white immigrants and other foreigners who live here would be required to serve in the country's armed forces or lose the right to work here under a bill proposed by the government.

A statement issued last Friday by the minister of defense, General Magnus Malan, and the minister of internal affairs, Frederik W. de Klerk, said that the proposed measure was a response to continuing resentment from young white South Africans at the fact that they have to enter the military for two years after leaving school while immigrants do not.

The proposal goes before Parliament for approval next year. The Federated Chamber of Industries welcomed the move, but warned that it could increase the shortage in skilled manpower by making the country less attractive to skilled immigrants.

Until now white immigrants have, after two years in the country, been able to take up permanent resident status, which allows them to work, while not adopting South African citizenship, which would compel them to serve in the military.

Under the proposal, all immigrants who have arrived in the country since 1978 and are between 15 and 25 years of age would acquire permanent residence after five years, but this would automatically entail South African citizenship and hence military duty.

According to government statistics, 140,000 white immigrants arrived here between 1978 and August 1982.

that South Africa was continuing a major operation in southern Angola to pre-empt guerrilla raids into Namibia, which is controlled by South Africa.

General Constand Viljoen, the chief of the South African Defense Force, said Monday that Angolan and Cuban forces were increasingly interfering with efforts by his troops against guerrillas of the South-West Africa People's Organization.

Radio South Africa said in a commentary that the guerrillas were moving south in "an intricately coordinated effort involving the Soviet Union, the Cubans, Angolan forces and SWAPO itself."

South African soldiers are battling Angolan troops as well as guerrillas in southern Angola, both sides have confirmed.

The radio broadcast said Wednesday the Angolans were providing sanctuary for the rebels instead of staying out of the way, as in the past.

Angola's president, José Eduardo dos Santos, said Tuesday in Luanda, the capital, that South African troops were attacking his forces, not seeking out guerrillas as South Africa contended. Mr. dos Santos said that the South African forces were operating as deep as 120 miles (194 kilometers) inside Angola.

Military analysts described the South African operation as the biggest cross-border offensive in at least two years against SWAPO, which generally mounts raids into Namibia at this time of year as the rainy season and sprouting vegetation provide cover.

The South African push into Angola has drawn increasing international criticism. France said Tuesday that the offensive was completely unjustifiable, and the United States said it hoped both sides would exercise restraint.

Reports of direct clashes between Angolan and South African troops prompted the U.S. State Department to declare its concern Tuesday and call for acceptance of South Africa's offer to withdraw from southern Angola on Jan. 31.

South Africa has regularly crossed into southern Angola to fight SWAPO in recent years. Angola accuses South Africa of occupying large areas of southern Angola since 1981. (Reuters, AP)



CHRISTMAS DIP — About 200 Czechoslovaks took part in the traditional Christmas swim in the Vltava River in Prague on Dec. 26. Many hundreds more watched on from the comfort and security of dry land.

Greek-Turkish Suspensions Resurging Along Border

'This Is the Dividing Line. Mohammed Is on One Side, Christ on the Other'

New York Times Service

EDIRNE, Turkey — The 80-mile border stretching south from this ancient capital of the Ottoman Empire to the Aegean Sea is again a sensitive nerve registering tension between Turkey and Greece.

The declaration of an independent state in the Turkish sector of Cyprus last month has brought to the surface the age-old suspicions that separate the nominal allies.

No major military measures have intensified fears, as they did in 1974, when Turkey invaded Cyprus. On the Greek side, a traveler encountered one armored patrol on the Turkish side, only the usual concentration of soldiers at the crossing point.

But in conversations, which were freer in Greece than in Turkey, mutual suspicion predominated. In Greece, there seemed to be an obsession with Turkey. Complaints recurred about centuries of Ottoman domination and the loss of lands that bear witness to Hellenic civilization.

Turks, generally more taciturn, seemed to go to the opposite extreme of avoiding any reference to their neighbor and of turning aside the subject when it was raised.

In the small Greek town of Orestia, across the border, Mayor Ioannis Katsoglou said that there were no jitters. "If you asked all the men, no one is worried," he said. "But if you asked the women..." He ended with a gesture indicating the contrary.

But Mr. Katsoglou said that unlike the situation in 1974, when all the women and children were moved to villages near Bulgaria and the men were issued additional hunting rifles, no one has left this time and no weapons have been issued.

In 1974, Turks, hunting rifles were confiscated from members of the large Turkish minority in Greece and were never returned. The deeply conservative region of Thrace and Macedonia is outspokenly hostile to the Socialist

government of Prime Minister Andreas Papandreu, but resentment of Turkey runs deep enough to overcome this hostility. Mr. Papandreu's strong condemnation of the Turkish Cypriot action and of Ankara's approval of it was applauded, even though the dominant political sentiment is nostalgia for the Greek military dictatorship.

Urging the West to support Greece, a journalist in the port town of Alexandroupolis said: "This is the dividing line. Mohammed is on one side, Christ on the other."

A Greek driver bringing a foreigner here was greeted with gruff humor by a Turkish border officer. "So Papandreu still lets you come after what we did in Cyprus," he said grimly before relaxing into a smile. On his way back, the driver was searched by Greek officials and a pound and a half of the renowned Turkish specialty, pastirma, was confiscated and immediately burned. The customs man

said Turkish meat could not be trusted now.

A Turkish official said periods of heightened tension raised special fears among the Turkish minority of 120,000 in Greece.

Turks said their compatriots suffered discrimination in land rights and education. An official said three Turkish villages in Greece were refusing to send their children to school because of Greek interference in their choice of teachers. Greeks said the teachers sent from Turkey under a treaty on mutual minority rights were spies.

"We're allies with Turkey, but we have more trouble with them than with the Bulgarians, Yugoslavs, even Albanians," said a strongly anti-Communist Greek. "We both aim our American weapons against each other."

Asked which of her neighbors she feared more, Greece or Bulgaria, an equally anti-Communist Turk replied, "Greece, of course."

Anti-Jewish Tracts Get to West Bank Despite Israeli Censorship Efforts

New York Times Service

DHEISHEH REFUGEE CAMP, Israel — Occupied West Bank — Despite the efforts of Israeli censorship, the residents of this camp seem to have everything they want in anti-Zionist and anti-Jewish political tracts.

What they cannot get in print, they pick up by radio and television from the Arab world and exchange by word of mouth.

West Bank schools use the Jordanian curriculum, but Jordanian textbooks are banned except in editions reprinted by the Israelis after passages containing anti-Jewish sentiments or extolling Palestinian nationalism have been excised.

Nevertheless, as a well-placed Israeli official on the West Bank conceded, it is almost impossible to keep the Jordanian books out of classrooms. "There are 1,000 schools and three inspectors," he said. "Every two to three years we can get one to each school."

Some of the uncensored textbooks, made available by the Israeli authorities, mix old anti-Jewish stereotypes with contemporary grievances, portraying Jews in evil terms from cultural, religious and political perspectives. There is no effort to distinguish between Israelis and Jews, or between Israeli policies and Jewish characteristics. Much anti-Jewish material parades in political disguise.

Texts have emotionally laden phrases, such as, "that hateful city, Tel Aviv," "Zionist racism" and

"Zionism occupied a large part of the Islamic land." Jews are depicted as "insatiably violent and denounced as 'cowards.' They are seen as attracted to worldly goods, proving their 'manifold wickedness.' They are accused of plotting to kill the Prophet Mohammed."

In a high-school reader, a poem by an Israeli Arab, addressed to those who rule "the occupied homeland," pledges survival and hard work "to extract a mouthful for our little ones from out of your blue flags." An Arabic expression, "His fangs are blue" means a man is untrustworthy and evil.

A guide for first-grade teachers states, "It is the duty of every teacher to deepen the hatred of racism and colonialism, and especially Zionist racism."

Another manual, for third-grade teachers, suggests a story for pupils about a Jew who changed Moslems to drink from his well. When the Jew saw a chance to sell the well "for a very high price, according to the well-known custom of the Jews, who are greedy whenever and wherever they can be," he asked a lot of money for only half the well, with water free to the Moslems on alternate days.

The story tells how the Moslems outsmarted the Jew by taking enough water on their days to satisfy them for two days.

Arab schools inside Israel proper are under tighter Israeli control, with the curriculum designed by Jews; the Arab teachers, by all ac-

counts, are afraid to deviate for fear that informants may report them. But this has its own problems, according to Walid Sadiq, a teacher of social studies and town council member in the Arab village of Taibe, because students see contradictions between what they are taught and their experiences.

"We study the Bible and Bialik, the Hebrew poet. 'Some of the most religious things in Judaism we learn.' There is no Koran taught after eighth grade, he said, little or no Arab culture in any grade, and silence on the Arab-Israeli conflict.

"From kindergarten, they teach them Israel, Israel, Israel — brainwashing about Israel," said Mr. Sadiq.

"But in daily experience, border police behave rudely with their parents, so all these things contradict each other. They have no political education, so they raise shallow slogans."

To protest being required to celebrate Independence Day in April by making paper Israeli flags with the blue Star of David, some Israeli Arab youngsters drew the outlawed Palestinian flag.

"A month ago I saw my son — he is 9 — tearing up an Israeli flag here in my house, which he had painted in April," Mr. Sadiq said.

"I saw a Palestinian flag painted on his arm. He said, 'Yasser Arafat's flag.' Who directed him? Nobody directed him. He has it from TV, in the air."

UN Aide Sees Worse Hunger For Africans

Reuters

ADDIS ABABA, Ethiopia — Millions of Africans could face hunger and malnutrition in 1984 because of natural and man-made catastrophes, the head of the UN Economic Commission for Africa said Wednesday.

"The prediction is that the critical situation will get worse," the executive secretary, Adebayo Adedeji, said at the commission's headquarters in Addis Ababa.

Mr. Adedeji said that Africa's overall economy expanded on average by only 0.2 percent in 1983, partly because of drought that resulted in some of the worst harvests in years.

He said that 21 countries were threatened with famine. They are Angola, Benin, Botswana, Cape Verde, Chad, Central African Republic, Ethiopia, Gambia, Guinea, Lesotho, Mali, Mauritania, Mozambique, Senegal, Somalia, Swaziland, Tanzania, Togo, São Tomé, Zambia and Zimbabwe.

Mr. Adedeji called for large-scale foreign assistance to Africa over the next five years to help development in food, agriculture, industry, transport and communication. He said about \$8.8 billion a year was needed.

Encroaching desert and drought were the most dangerous constraints on African economic development, he said.

U.S. Reportedly Informs UNESCO of Withdrawal

(Continued from Page 1)

a "new world information order." The compromise avoided a proposal to consider a code of conduct for international media organizations and journalists but set aside \$16.1 million for Mr. M'bow to study media reforms.

John Ping, the Gabonese ambassador, chairman of what is known as the Group of 77 and a leading African moderate among UNESCO officials associated with Mr. M'bow, said: "If the United States has actually done this, we do not see any reason. Everyone, including the U.S. delegates, said the last general conference was successful. Decisions were taken by consensus. Everyone appeared satisfied."

A source close to the French delegation said Wednesday: "After the conference, we didn't think there would be an announcement of this sort."

An official who represented the Spanish Ministry of Education at the general conference in November, called Mr. Reagan's reported decision "a very serious blow to UNESCO."

"I think it's a very drastic move, very Reganite, not very civilized," he said in Madrid in a telephone interview Wednesday.

"On the other hand, the United States has been in a very uncomfortable position and very much the focus of opposition within UNESCO. At the last general conference the United States remained alone on the budget issue, while

other countries reached a compromise."

"It's true," the Spanish official said, "that UNESCO has been politicized and most debates have political overtones. But it is better to have these sorts of confrontations than military ones."

Some UNESCO sources said Wednesday that changing the agency's programs and policies could not be accomplished within a year, with or without the threat of a U.S. withdrawal, but that the United States might achieve less ambitious concessions.

"There are a number of unfilled posts at UNESCO, and the American quota for posts is unfilled," a Western lobbyist at the agency said. The agency can continue to put Americans in non-sensitive subordinate posts or they could give the Americans something worthwhile.

Mr. Reagan's decision, he added, appeared in part to be "an attempt to maintain leverage in the agency while taking the first step out the door."

Some of the controversy regarding the agency centers on its director-general, Mr. M'bow. Several sources said that, while the United States had never sought to remove Mr. M'bow, his resignation "might be the counterstroke necessary to bring the United States back."

UNESCO was created in 1946 to promote scientific, educational and cultural exchanges among nations. The agency's general drift toward political posturing, in the eyes of the West, has included a ban on Israeli involvement in agency activities and the attempts to set worldwide press standards, championed in particular by Mr. M'bow.

The burgeoning of UNESCO's budget and bureaucracy during the last 10 years is another source of friction.

During the five-week general conference, the United States repeatedly threatened to reduce its contribution to UNESCO unless the agency "put its fiscal house in order," in the words of Edmund P. Hennessy, head of the U.S. delegation to the conference.

The conference approved a \$374.4-million budget for 1984-1985. Ten nations abstained and the United States cast the only dissenting vote. A budget, \$14 million more, submitted by the United States and other Western nations, was defeated by a wide margin.

■ Drastic Cuts Foreseen

A U.S. withdrawal from UNESCO probably would result in drastic staff and budget cuts in the organization, UNESCO sources said Wednesday. United Press International reported from New York. UNESCO has a staff of approximately 2,900 worldwide.

When Washington temporarily withdrew from the UN International Labor Organization in 1977, the agency proposed cutting its funding by 19.2 percent and reducing its staff of 2,700 by 180.

West Bankers See Israelis as Violent, Permissive and Cold

(Continued from Page 1)

meanwhile, Arabic to a friend. She said, 'What? You're an Arab? I won't dance with you! I can't dance with you! She backed away.'

"I said: 'You're not dancing with an Arab. You're dancing with a person.' He added: 'It took me two to three weeks and she was begging me to take her out.'"

For more than a year, Zohar Endrawos, 25, from the Arab town of Tarsheh, dated a young woman from the neighboring Jewish village of Maalot. "Then I found out what racism was," he said. "How many times I heard 'dirty Arab' from her parents, friends."

During a lovers' quarrel, "even my own girlfriend said to me once, 'This will teach me to get close to you barbarians,'" he recalled. "I could never have said that to her about her Jewishness."

He added: "In general, Arabs are afraid of Jewish things — anything that's Jewish, they're afraid of. The education I received from my mother was to walk next to the wall and not cause any problems."

For Arabs, whose society has strict sexual taboos, relationships with Jews can be nothing more than the excitement of contact with a relatively permissive culture. Or they can grow out of an effort to

leave something of their Arab identity behind, passing into what, Israel, is the majority.

One Jewish woman from Jerusalem, in Galilee, met a young man who tried to pass as a Jew. She guessed he was an Arab, did not mind and confronted him with the fact. He had been afraid to admit it.

Virtually all such relations occur between Arab men and Jewish women, since Arab women are mostly prevented from dating by the conservative traditions of their society. One exception — the daughter of an Arab Christian family in Haifa — told of her rejection by both Arabs and Jews as she was educated in Jewish schools, learned to read and write Arabic at a Jewish university, spent time with Jews and fell in love with a Jewish man.

"My fellow Palestinian students ostracized me," she said in an Israeli radio interview. "They called me a whore because I socialized with Jews and probably thought I was sleeping with most of them."

She began living with her man, a rightist; they decided not to buy a television set to avoid news broadcasts and political fights. One day, she said, his Jewish friends got together with some Arab students and beat him up.

Both his parents and hers op-

posed marriage, leaving her caught between two cultures. "I don't know if it would have been good," she said. "I don't know. But with an Arab boy it definitely won't work. Now I'm 28. I know that for an Arab boy, my stock has gone down. He can be crazy for me. His family won't go along with it."

Some Arabs see parallels between Jewish and Palestinian culture and between the Jewish and Palestinian experiences of rejection and suffering.

"Both of us are arrogant," said Ibrahim Karim, a Palestinian journalist in East Jerusalem. "We think ourselves distinguished in the Arab world, and they think themselves distinguished in the world as a whole."

Jamil Hamad, a journalist from Bethlehem, disagreed. "The Jewish arrogance is completely different from the Palestinian arrogance," he said. Palestinians are willing to do any work to get ahead, he said. "The Jewish arrogance was the product of a very mysterious thing: 'We are the chosen people.' It's an old business."

"Part of the Jewish arrogance is the inferiority complex," Mr. Hamad continued. "They are exporting a Jewishness to the Palestinians. You see how the Palestinian

Jewishness is functioning. You see how the Palestinians of the West Bank are building universities, schools, developing folklore, exhibiting art. This is a Jewish business. You are making me a minority, but I am preserving my culture and identity."

Of all the images of Jews that Arabs possess, the one that ignites the deepest fury among Israeli Jews is the argument that what the Nazis did to the Jews, the Jews now do to the Palestinians.

In some measure, this comes out of genuine ignorance among Arabs about the Nazi horror inflicted on European Jews; children on the West Bank learn nothing about it in school, and even Israeli Arabs do not seem to absorb the lessons they get. Susan Bandler, a New Yorker of Interns for Peace, said she knew a militant young Arab who used to equate Israeli Jews with Nazis until he went to a small museum on a kibbutz founded by survivors of the Warsaw ghetto.

"He was very moved to see what Jews had suffered," she said. "He didn't have that image at all: Jews were fighters, powerful."

Last September, when two foreign correspondents visited Ansar, the Israeli prison camp in southern Lebanon, they heard the head of

the prisoners' committee, a Palestine Liberation Organization officer named Salah Taamri, invoke the Nazi death camps in denouncing Israel.

"Ansar is Auschwitz!" the prisoners chanted. Cordelia Edvardson of the Swedish newspaper Svenska Dagbladet had been imprisoned in Auschwitz, but did not tell Mr. Taamri that when she asked if he agreed with the prisoners' chant.

"I can't agree and I can't disagree," he answered. Referring to former Prime Minister Menachem Begin, he added: "When Begin said about us — animals on two feet — doesn't it bring an echo of what Hitler said about the Jews? To someone whose family got killed, the whole world is a Holocaust. Should anything be special because you are Jewish? Are they the chosen people of God, or are they the chaotic people of the devil?"

In the Dheish refugee camp, little Amal with the red ribbon in her hair was asked what she would talk about if she met a Jewish girl her age. "Nothing," Amal replied. "Wouldn't she be interested in knowing about the other girl's life?"

"No. And why not?" "Because I don't know her," Amal declared, "and she doesn't know me."

WORLD BRIEFS

Jackson Delays Visit to Pilot in Syria

WASHINGTON (AP) — The Rev. Jesse L. Jackson delayed Wednesday his planned trip to Syria to seek the release of a captured American pilot after meeting with Syria's ambassador to the United States.

He indicated that Syria was insisting that U.S. reconnaissance flights over Syrian anti-aircraft positions in Lebanon halt before Lieutenant Robert O. Goodman Jr. of the U.S. Navy is released. "This is what I hear," said Mr. Jackson, a candidate for the Democratic presidential nomination.

Mr. Jackson said he still planned to go if he got assurances that he would be able to meet with Lieutenant Goodman, in the company of a doctor, and meet with President Hafez al-Assad of Syria.

Arafat Loyalists Adopt Military Plan

BEIRUT (UPI) — Elements of the Palestine Liberation Organization loyal to Yasser Arafat, the PLO chairman, adopted a military plan Wednesday for PLO forces scattered around the Arab world, the Wafa news agency reported, but it gave no details of the agreement.

Syrian radio said Tuesday that the meeting of the PLO higher military committee in Sana'a, the capital of North Yemen, was boycotted by all the radical factions of the organization. "They considered the invitation a new maneuver by Arafat to rally support of his traitorous steps," Syrian radio said.

Earlier, Wafa, Mr. Arafat's news agency, reported the Palestinian leader's second meeting with President Ali Abdullah Saleh of North Yemen. The agency also said a group of Palestinian fighters evacuated from Lebanon on Dec. 20 had arrived in South Yemen.

Mauroy to Probe Oil-Detection Plan

PARIS (Reuters) — Prime Minister Pierre Mauroy announced Wednesday that he will question officials of France's leading oil company, Elf-Aquitaine, as part of an investigation into a failed oil prospecting scheme. Reports on the plan have led to allegations that officials under former President Valéry Giscard d'Estaing may have tried to cover up losses incurred in the venture.

The contract for the system, involving a device aimed at detecting oil deposits from airplanes, was canceled in 1979 when the apparatus was found not to work. Elf recovered only half of the 900 million francs (\$197 million) it had paid for the system. The former Elf chairman, Albin Chalandon, denied in an open letter to President François Mitterrand, printed in Le Monde Wednesday, that the funds may have been diverted for political purposes.

Last week, Le Canard Enchaîné, the satirical weekly, said that a report on the project had been destroyed by Bernard Beck, who headed the agency that oversees government spending during Mr. Giscard d'Estaing's administration. But Mr. Giscard d'Estaing displayed a copy of the report in a televised interview last week and accused Mr. Mitterrand's government of using the issue for political purposes.

Israeli Said to Suggest Settlements Cnt

TEL AVIV (AP) — Finance Minister Yigal Cohen-Orad will demand a severe cutback on construction of Jewish settlements in the occupied West Bank to trim government spending, Israel Radio reported Wednesday.

The radio said Mr. Cohen-Orad was to make proposals to a special cabinet meeting Friday to shelve plans for new settlements over the next year and to freeze other projects, including construction of a major irrigation pipeline and a hydro-electric project linking the Dead Sea to the Mediterranean by a canal.

A Finance Ministry spokesman said he knew nothing about the radio report. Mr. Cohen-Orad is one of the government's strongest supporters of West Bank settlements. He is building a house in the town of Ariel, in the heart of the Palestinian territory.

U.S. Transsexual Pilot Wins Bias Suit

CHICAGO (UPI) — Eastern Airlines discriminated against a transsexual pilot when it discharged her as a pilot following her sex-change operation, a federal judge ruled Wednesday.

The airline had contended that the transsexual, Karen F. Ulane, 41, had a psychological problem requiring medical care and that her condition posed a safety threat in the cockpit. This was "a pretext and sham of the first order," U.S. District Judge John F. Grady said.

He ordered Eastern to reinstate Miss Ulane, of Darien, Illinois, with back pay. Miss Ulane's attorney, Dean Dickey, told Judge Grady in Tuesday's closing arguments that after Kenneth Ulane had a sex-change operation and became Karen Ulane in 1980, the airline would not return her to pilot duties. Miss Ulane sued, charging sex discrimination. As Kenneth Ulane, she had worked as a pilot for Eastern for 12 years.

Polish Communists Set Party Meeting

WARSAW (Combined Dispatches) — The Polish Communist Party is planning a special national party conference early in 1984 to consider sweeping economic, social and foreign policy moves, well-informed sources say. It would be the first such gathering of Communist activists since martial law ended in July.

The conference would also be the first full-scale gathering of delegates since they called for such a meeting in July 1981, while the independent labor movement Solidarity was challenging the party for the loyalty of workers, students and intellectuals. Since 1981, an estimated 700,000 more party activists have turned in their membership cards, reducing the party's ranks to about 2.3 million.

Meanwhile, the Communist unions that replaced the outlawed Solidarity union criticized government austerity measures Wednesday and advised against proposed increases in food prices in a discussion program broadcast by Polish television and widely publicized in the press. (UPI)

17 Poles Jump Ship in Amsterdam

AMSTERDAM (AP) — Seventeen Polish tourists jumped ship while the pleasure cruiser they were traveling on was making a 24-hour stopover in Amsterdam, authorities said Wednesday. Six of them have applied for political asylum.

The 17, including an economist, a psychiatrist, two technicians, a farmer, several office clerks, a student, an interpreter and a nurse, failed to return Tuesday when the cruise ship Rogina was due to leave for Zebrugghe, Belgium, a military police spokesman said.

The Rogina arrived Monday from Copenhagen with 244 passengers, the spokesman said. During their 24-hour stay in Amsterdam, the passengers had visas allowing them to move freely around the Netherlands, he said. The spokesman said the ship left Amsterdam late Tuesday.

Albania Enacts Law on Grievances

VIENNA (AP) — Albania, in a rare disclosure of discontent, enacted legislation to deal with people's demands and complaints, state news agency ATA reported Wednesday.

As a rule, the daily international dispatches of the agency do not contain even hints of criticism of official policies. The report said that the People's Assembly, or parliament, on Tuesday unanimously enacted "the law on the solution of the demands, complaints, remarks and proposals of citizens."

No details were given of the grievances, but Besnik Bekteshi, deputy chairman of the Council of Ministers, said the ruling Communist Party considered them as of "first-rate importance."

Dutch Cabinet Upheld in Taiwan Issue

THE HAGUE (UPI) — The Dutch government won majority support in parliament Wednesday for its rejection of a potentially lucrative Taiwanese order for conventional submarines.

More than 1,000 shipyard workers, who could face unemployment as a result of the decision, demonstrated outside parliament in The Hague in the special debate got under way. The cabinet last week refused export permits for the first two of four submarines Taiwan wanted to order from a financially ailing Rotterdam shipyard. The yard, Wilton-Feyenoord, already is building two submarines for which a previous government granted export permits in 1981.

Prime Minister Ruud Lubbers said last week that the cabinet rejected the order to appease the Chinese, who claim the island of Taiwan and oppose arms sales to its government. A spokesman for the Liberal Party, the junior coalition partner, strongly opposed the rejection of the order, but the Christian Democrat and Labor parties together command a sweeping majority.

For the Record

Police arrested 26 persons who blocked the entrance of the headquarters in Stuttgart of the U.S. Armed Forces in Europe, a police spokesman said Wednesday. They were protesting the deployment of U.S. nuclear missiles. (UPI)

Saudi Arabia

Prisons-for-Profit Idea Is Given a Trial in U.S.

Success of Kentucky Fried Chicken Is a Model for Free-Enterprise Jails

By John Hurst

Los Angeles Times Service
NASHVILLE, Tennessee — Can the folks who brought you Kentucky Fried Chicken bring you uncrowded, efficient, safe, economical prisons and turn a profit at the same time?

The Corrections Corp. of America, headed by Tom Beasley, a lawyer, West Point graduate and former chairman of the Republican Party in Tennessee, is trying to ride what some penologists believe to be the prison wave of the future: penitentiaries for profit.

Next year, the company plans to open in Texas a minimum-security facility where illegal aliens captured by the U.S. Immigration and Naturalization Service would be held pending deportation.

Mr. Beasley said that his company is financed by venture capital from the Massey-Burch Investment Co. Massey-Burch, he noted, is headed by Jack Massey, who founded the Hospital Corp. of America and who "put Kentucky Fried Chicken on the Big Board."

The company began building its first prison last month in Houston under contract to the immigration service. Company officials also are considering more than a dozen other corrections projects, according to Mr. Beasley, and are not ruling out the possibility of operating a maximum-security prison.

"It's the most exciting thing I've ever touched," he said of the prison business. "There are rare times when you can get involved in something that is productive and profitable and humanitarian. . . . We are on the cutting edge of a brand-new industry."

The Houston project, a minimum-security 300-bed institution for short-term confinement of illegal aliens, will cost \$4 million to \$5 million to build and will be operated on a year-to-year contract. The INS will pay a beginning rate of \$23.50 per inmate per day.

"It'll take several years to recover the construction cost," said Mr. Beasley. "If we blow it . . . we'd have to look for alternative uses for the facility. So there is risk."

He and other entrepreneurs entering the corrections market insist that private enterprise can build

and operate high-quality prisons at a lower cost than the state because government bureaucracy prevents innovation and efficiency. The private operators, in many cases, also would have the advantage of paying lower salaries to their staff than government agencies pay their employees.

California, with its overcrowded prisons and its plans to spend billions of dollars on building and operating penitentiaries, is a tempting potential market.

"California is the land of opportunity," said Mr. Beasley. "We'd sure like them to look at this as an alternative to the management as well as the financing" of new prisons.

Officials of the California Department of Corrections are skeptical of the private prison concept and are not considering subcontracting for the management of any of their present or proposed penitentiaries.

But federal immigration officials are contracting with a private company for short-term minimum-security confinement of illegal alien families in Pasadena, California.

Ted Nissen, a retired parole officer and co-owner of Behavioral Systems Southwest, houses about 125 illegal alien men, women and children in a building that was once a convalescent home.

The illegal alien men are housed separately from the women and children. The rooms, which hold several beds each, are spartan. The children are required to stay inside almost all the time and there is little for them to do. Families are allowed to visit together in a rooftop patio that is topped with coiled razor-wire. There are no chairs for the families in the visiting patio. There is only a carpet on the floor.

Mr. Nissen said he makes a profit from the approximately \$23 per inmate per day paid by the federal government.

"I'll try anything," he said. "If it works and I make a profit, I'll stick with it. If it doesn't work and I can't make a profit, I'll get rid of it. That's what a business person does. . . . I've got to think that way. I've got to think like Colonel Sanders."



6 DEAD IN NEW YORK — Firefighters in Buffalo, New York, searched for victims after an explosion and

fire Tuesday killed six persons, five of them firefighters looking for a propane leak. Sixty people were injured.

Kirkpatrick Is Resting in Her Corner After Year of Washington Infighting

By Doyle McManus and Don Shannon

Los Angeles Times Service

UNITED NATIONS, New York — Late in the afternoon, with Manhattan's winter sky already dark outside her window, Jeane J. Kirkpatrick tucked a shoelace under her knee and reflected on what she describes as the most difficult year of her life.

"A great many of the things I've done," the U.S. ambassador to the United Nations said, "have left me a sadder and a wiser woman."

After a series of bruising fights within the Reagan administration over power on foreign policy issues — fights in which she says she was often an unwilling combatant — the once-pugnacious Mrs. Kirkpatrick has settled into a new, less visible role as a private guardian of intellectual toughness within the councils of the White House.

She says she will offer no more public criticism of administration decisions, as when she openly expressed her dissatisfaction with U.S. support of Britain during its



Jeane J. Kirkpatrick

1982 war with Argentina, or when she called William P. Clark's resignation as national security adviser "an unmitigated disaster" that "should have been rescinded."

"I value discipline," she said in an interview last week. "I don't criticize my government's policy."

Nor, she said, will she play a major part in making U.S. policy on Central America, the issue on which she has been most vocal.

"There was a moment when I played a significant role" in Central America policy-making, "but it was an unusual moment," she said. "It was out of character with what came before and what came after."

Instead, the 56-year-old political scientist, who came to Ronald Reagan's attention as a theoretician for the "neoconservative" wing of the Democratic Party, said she has been devoting almost all her time to her ambassadorship.

After months of speculation that she might resign at the end of this year, the betting at the U.S. mission, across the street from the UN building, is that she will stay on.

She is, administration officials say, the most influential UN ambassador that the United States has ever had.

"It's one of three or four jobs in our government which involve one with the whole world," she said. "Because the U.S. representative to the United Nations is also a member of the president's cabinet, she added, "one has an opportunity for participating in the policy making of the whole world."

Mrs. Kirkpatrick said she also is a member of the National Security Planning Group, which serves as the executive committee of the larger National Security Council. Despite her disclaimers, one official said, she often is the most powerful voice on the NSC on Central American matters.

Her rhetoric, at the United Nations and elsewhere, still crackles with blunt, unpolished energy. She has, in recent speeches, denounced the leftist government of Nicaragua as "trapped in the fantasies of power-hungry dictators," defended repressive measures in El Salvador as a "regrettable but understandable" response to violence perpetrated by "predatory beasts," and excoriated the Democratic

Party as dominated by a "peculiar Democratic resistance to the preferences of ordinary Americans."

What has changed, UN and U.S. officials say, is that Mrs. Kirkpatrick is spending more time in New York after two years of shuttling incessantly between meetings at the United Nations and the White House and is not speaking publicly about Central America outside the United Nations.

She declined to talk in detail about the administration's policies on Central America or to express any opinion on the current U.S. drive to press El Salvador's government toward social reforms. However, she has written about the dangers of forcing a government to undertake reforms while it is attempting to fight a leftist rebellion.

An aide said that one reason for Mrs. Kirkpatrick's reticence is that she believes that the National Bipartisan Commission on Central America, which she helped create, should assume a major role in creating a bipartisan consensus on the issue. The committee is headed by former Secretary of State Henry A. Kissinger.

But another reason, clearly, is that she has been bruised in repeated episodes of political infighting in Mr. Reagan's White House, infighting which, despite her prickly exterior, seems to have found her surprisingly vulnerable.

In 1982, after a fierce fight with Alexander M. Haig Jr., who was then secretary of state, Mrs. Kirkpatrick discovered that one of official Washington's favorite weapons is the news leak — the deliberate dissemination of information that might discredit an opponent.

After she survived the struggle with Mr. Haig, and Mr. Haig resigned, Mrs. Kirkpatrick said the leaks about her stopped, which she said demonstrated that "they are not a necessary part of this administration."

But last February, after she made a 10-day trip to Central America and provided a set of sweeping policy recommendations to the president, the leaks started again. This time, the showdown was with Assistant Secretary of State Thomas O. Enders, who had previously enjoyed a largely free hand in shaping policy in the area.

Mrs. Kirkpatrick and Mr. Clark, who then was the president's national security adviser, won, and Mr. Enders lost his job. But Mrs. Kirkpatrick also found herself the subject of countless articles based on leaks that described her as a "hard-liner."

The leaks began again in October, when Mr. Clark decided to leave his NSC job and conservative associates of the president suggested Mrs. Kirkpatrick as a replacement. "I was not in any way the initiator" of those suggestions, she said. But her opponents made it appear that she had actively sought the job even before Mr. Clark left, and then talked of how her appointment could be politically dangerous.

"I couldn't say enough nice things about the way the president treats me," she said emphatically. "That surely includes the opportunity to talk to him. If I want to, about almost anything. That's never changed."

El Salvador Extends Land Reform Plan

By Lydia Chavez

New York Times Service

SAN SALVADOR — The Constituent Assembly has approved a six-month extension of one part of El Salvador's land redistribution program, giving about 60,000 peasants another chance to buy land.

The extension applies to the third phase of a three-part program that allows peasants to buy up to 17.5 acres (seven hectares) that they previously rented. U.S. labor advisers estimate that 117,000 peasants have the right to buy such land but only 57,000 have done so despite two previous extensions of the program.

Many have failed to do so because they have been threatened by landlords or because their land is in areas where fighting between the Salvadoran Army and leftist guerrillas is taking place. The latest extension, approved Tuesday night, will give labor groups until June 30 to encourage peasants to buy their land.

"The truth is that we have to thank the parties for this decision," said Samuel Maldonado, the leader of the largest farmworkers' union, "for we have won at least half of the battle that we have been fighting."

The legislative victory for landless Salvadoran peasants comes after the assembly voted earlier this month to cut in half the amount of land available for the second phase of the redistribution program. This phase, which has not yet been carried out, would transfer the ownership of middle-sized farms to peasant cooperatives.

The reduction of land available for the second phase was viewed by U.S. labor advisers as a serious defeat for the farmers because most of the middle-sized farms grow coffee, cotton or sugar, the country's major export crops. The land available under the third phase is land on which peasants grow basic grains, primarily for their own use.

Under the first phase of the land redistribution program, the government bought the country's largest farms; it is now in the process of turning them over to peasant cooperatives.

The fight to extend the third phase was led by the moderate Christian Democrats.

Mozambican Insurgents Claim 138 Troops Killed

Reuters

LISBON — Mozambican rebels have killed 138 government troops, seized several towns and destroyed communication links and economic targets in a new campaign against the government of President Samora Machel, a guerrilla spokesman said Wednesday.

The Lisbon-based spokesman for the South African-backed Mozambique National Resistance said the new offensive was the biggest since Mozambique won independence from Portugal in 1975. He said the guerrillas had scored victories along the Zambezi River and along the important railroad link from Malawi to the port of Beira.

Where once virtually all Soviet Jews with distant relatives in Israel could apply to emigrate, now only the small minority with parents or children there are eligible to apply.

Also, Soviet leaders this year decreed that applications for exit visas would remain valid only for six months. But the bureaucracy usually fails to respond to applications within that time, forcing applicants to repeat the process, according to Jerry Goodman, executive director of the Soviet Jewry association.

Soviet Jews who attempt to emigrate are increasingly subject to being dismissed from their jobs and refused employment elsewhere, leaving them open to prosecution and possible prison terms for being "parasites."

Their children are also barred from better universities, leaving them without the education needed for good jobs.

The decline coincides with a crackdown on the rights of Jews who stay in the Soviet Union and a policy of retribution toward those

seeking to leave, according to spokesmen for the organization.

The Soviet Union contends that emigration has declined because fewer Jews want to leave. But Elliott Abrams, U.S. assistant secretary of state for human rights, branded that contention "a lie."

"The drop clearly represents a deliberate government policy and is not the result of a decline in applicants," Mr. Abrams said Tuesday in New York. The survey was released Tuesday in Los Angeles and New York.

Emigration from the Soviet Union steadily increased from 1970 to 1979, when 51,320 Jews left the country, most of them bound for Israel. But restrictions put into effect in 1980 and tightened early this year sharply limited the number of Jews able to apply for emigration.

Aides Say USIA Chief Secretly Taped Calls With Other Officials

The following article is based on reporting by William Safire and Jane Perles and was written by Miss Perles.

New York Times Service

WASHINGTON — The director of the U.S. Information Agency, Charles Z. Wick, has secretly tape-recorded telephone conversations with government officials, staff members and friends, according to his aides and transcripts of the conversations.

In an interview on Monday, Mr. Wick denied that he had taped telephone calls surreptitiously, saying he had always informed the other party when a conversation was being recorded.

After six of his callers said they had been secretly taped, Mr. Wick telephoned a statement to The New York Times late Tuesday saying that starting in January of this year, he recorded "a small percentage" of his calls and had not always informed the other party.

The statement said that the practice had been discontinued, but it did not say when.

"I often advised the caller that I was recording the conversation or a portion of it, but in haste I did not do this consistently," Mr. Wick's statement said.

No federal or District of Columbia statute makes it a crime for one party to tape a telephone conversation without the knowledge or the consent of another. But legal experts say that some states have criminal statutes prohibiting such taping.

The New York Times has obtained transcripts of some of Mr. Wick's 1983 telephone conversations that his callers say must have been taped, although they did not know it at the time.

Transcripts were read to Senator Mark O. Hatfield, Republican of Oregon, chairman of the Senate Appropriations Committee; Kenneth L. Adelman, the director of the U.S. Arms Control and Disarmament Agency; and Walter H. Annenberg, former U.S. ambassador to Britain. They all said they recalled the conversations but said they had not been told by Mr. Wick that they were being taped.

The actor Kirk Douglas, Caspar W. Weinberger Jr., who worked for Mr. Wick at the agency and is the son of the defense secretary, and Geoffrey Swabbe, the ambassador to Belgium, also said they were not informed of the taping.

Mr. Wick, 66, a close friend of President Ronald Reagan, said Monday that he had dismantled the taping equipment attached to his office dictating machine "a year ago or more" because "I didn't want it misunderstood" around the agency, which operates the Voice of America and runs programs promoting the United States abroad.

Robert L. Earle, Mr. Wick's executive assistant, was asked whether Mr. Wick surreptitiously taped calls. He replied, "I have the impression that such a thing happened."

Mr. Earle said that he had warned Mr. Wick that such a practice was an invasion of privacy and "in nobody's interest."

Mr. Wick acknowledged that he had been warned "some time ago" by Jonathan W. Sloat, then the general counsel to the U.S. Information Agency, that he should not tape without permission.

"That's when I became concerned about how it might look



Charles Z. Wick

with some of the word going around," Mr. Wick said.

Asked if he had secretly taped Mr. Hatfield, Mr. Adelman and Mr. Annenberg, Mr. Wick said he had not.

Mr. Hatfield, after being read a transcript of a conversation with Mr. Wick in October 1982, said he remembered talking to Mr. Wick. "I never knew that I was being recorded," said Mr. Hatfield. "I would have liked to know whether I was being recorded. I don't appreciate it."

Mr. Adelman, who according to a transcript also spoke to Mr. Wick in October 1982, said he recalled the conversation but did not know of the taping. "I am surprised," he said.

Mr. Swabbe, now ambassador to Belgium, said he was not particularly surprised that Mr. Wick, whom he described as a longtime friend, had taped a conversation they had in November 1982. "He has a habit of making it very public," Mr. Swabbe said of Mr. Wick's taping in his office.

Yugoslavia Jails Ethnic Albanians

The Associated Press

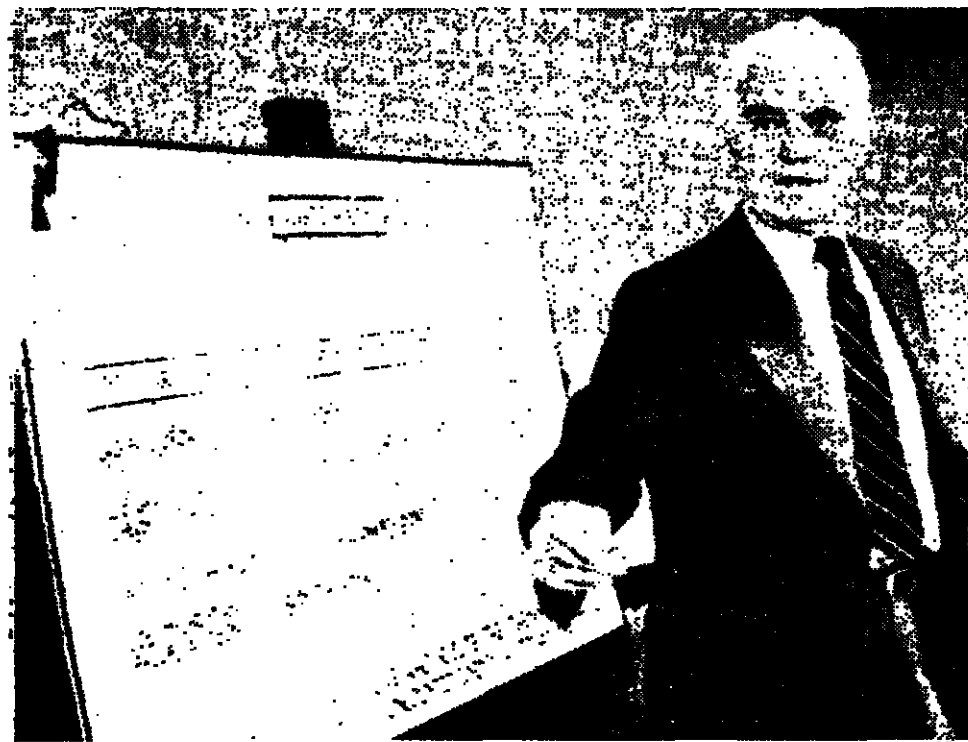
BEGRAD — A court in southern Kosovo province has sentenced 13 members of an ethnic Albanian group to prison terms ranging from 12 months to 14 years for subversion, the government news agency Tanjug reported Tuesday.

The agency said that the 13 had been convicted of planning assassinations of government officials, distributing anti-Yugoslav pamphlets, painting hostile slogans and illegally acquiring weapons.

The group's leader, Emin Krasniqi, received the 14-year term, while Besnik Krasniqi, who now lives in Australia, was sentenced in absentia to nine years, according to Tanjug. The case was the latest in a series of trials that followed riots in 1981 by ethnic Albanians seeking more autonomy for Kosovo, where they form a 77-percent majority.

Mr. Wick said that he had been warned "some time ago" by Jonathan W. Sloat, then the general counsel to the U.S. Information Agency, that he should not tape without permission.

"That's when I became concerned about how it might look



General William C. Westmoreland presenting his case to newsmen in Washington Tuesday.

Westmoreland and CBS Give Preview Of Evidence in General's Libel Suit

By Don Oberdorfer

Washington Post Service

WASHINGTON — In an unusual prelude to an unusual court case, William C. Westmoreland and CBS News have presented previews of their conflicting evidence and conclusions in the retired U.S. Army general's \$120-million libel suit against the network.

The former U.S. military commander in Vietnam began the show-and-tell news conferences here Tuesday by making public a

stack of affidavits and documents intended to prove that he was libeled by a January 1982 CBS documentary, "The Uncontested Enemy: A Vietnam Deception."

General Westmoreland, who described the evidence gathered by his lawyers as "shocking," released affidavits by some of the highest officials of the Johnson administration, including Secretary of Defense Robert S. McNamara and CIA Director Richard M. Helms, rejecting the CBS charge that a "conspiracy" within U.S. military ranks had concealed the strength of the Communist enemy in Vietnam in the months preceding the 1968 Tet offensive.

CBS, in a news conference a few minutes later to the same hotel, handed out papers intended to back up its report. Included were affidavits from several intelligence officials saying that the estimates in question had been manipulated.

Richard D. Kovar, who described himself as a retired 30-year CIA veteran who prepares the daily intelligence report for President Ronald Reagan on a constant basis, said, "I found myself cheering aloud" while watching the CBS broadcast, which he called a "fair and accurate" portrayal that should be shown yearly on the anniversary of the Tet offensive.

The occasion for the news conferences was the filing by General Westmoreland's lawyers of some of the documents they have gathered since the libel suit was initiated in September 1982. It is now in a pretrial stage before a New York court.

"If I were guilty as indicated by the broadcast, I could have been court-martialed," General Westmoreland said, adding that the 90-

minute television program attempted to "destroy" his 36 years of military service.

Many of the former officials whose sworn statements were obtained by the general said that they had been aware of an intelligence dispute about the proper estimate of Communist troops in 1967, but that this was not a deception or conspiracy as charged by CBS.

Mr. McNamara said in his deposition that "it is inconceivable to me that MACV [the Military Assistance Command, Vietnam] arbitrarily reduced estimates of enemy strength as a result of this or any other dispute." Mr. McNamara was one of several former officials who said he was willing to testify for General Westmoreland in the libel trial.

In a deposition made public by CBS, a former CIA intelligence analyst, John T. Moore, said that, based on his experience, including attempts to correct estimates of enemy strength in Vietnam, "I have become convinced that there was a conspiracy or cover-up among various elements of the intelligence community, including persons from MACV, CIA and DIA [the Defense Intelligence Agency], to distort and to suppress intelligence information" before the Tet offensive.

Sihanouk to Visit Pyongyang

BEIJING — Prince Norodom Sihanouk, head of a Cambodian rebel coalition fighting the Vietnamese occupation of Cambodia, left Wednesday for the North Korean capital of Pyongyang after visiting China to seek more weapons.

Emigration of Russian Jews in 1983 Is Least in 20 Years, U.S. Group Says

By Cathleen Decker

Los Angeles Times Service

LOS ANGELES — The Soviet Union has allowed only about 1,300 Jews to emigrate in 1983, the lowest total in 20 years, and has virtually forbidden Jewish residents of Moscow to leave, according to a survey by the National Conference on Soviet Jewry.

It was the fourth consecutive year that the number of Jewish Soviet citizens successfully petitioning to leave the country has dropped sharply.

The 1983 figure is less than half the 2,688 emigrants who left the Soviet Union in 1982, according to statistics compiled by the Soviet Jewry Research Bureau, the conference's research arm.

The decline coincides with a crackdown on the rights of Jews who stay in the Soviet Union and a policy of retribution toward those

seeking to leave, according to spokesmen for the organization.

The Soviet Union contends that emigration has declined because fewer Jews want to leave. But Elliott Abrams, U.S. assistant secretary of state for human rights, branded that contention "a lie."

"The drop clearly represents a deliberate government policy and is not the result of a decline in applicants," Mr. Abrams said Tuesday in New York. The survey was released Tuesday in Los Angeles and New York.

Emigration from the Soviet Union steadily increased from 1970 to 1979, when 51,320 Jews left the country, most of them bound for Israel. But restrictions put into effect in 1980 and tightened early this year sharply limited the number of Jews able to apply for emigration.

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Herald Tribune

Published With The New York Times and The Washington Post

A Manned Space Station?

The National Aeronautics and Space Administration has long lobbied for a manned space station. Come election year, it may get that \$20-billion wish.

Are there that many votes in space? Not usually. But Senator John Glenn, a former astronaut, is a space enthusiast, and Walter Mondale, when a senator, vigorously opposed the space shuttle. Suddenly the White House finds a bold new space initiative appealing.

Last year President Reagan's science adviser, George Keyworth, fended off NASA's space station as "just plain totally premature." Recently he challenged the agency to dream up something more visionary. Both times his criticisms had weight. However tempting it may be to repeat the technological triumph of the Apollo moon-landing project, a big space station would be just an orbiting white elephant unless its purpose were carefully defined.

One justification for a manned station is the chance to perform manufacturing processes in

zero gravity. But NASA's efforts to find industrial sponsors have been limp. Unless industrial interests are represented from the start, manufacturing in space has a dim future. NASA has also done little to enlist European and Japanese skills and financial support.

NASA's space station concept is more a means than an end. Scientists oppose it because they fear that, like the shuttle, it will squeeze space research funds out of NASA's budget. There is "no scientific need for this space station during the next 20 years," says the National Academy of Sciences. The Pentagon is happy for the station to be built, on NASA's budget, but it sees no pressing need.

So why not first specify the purposes and users of any space station, and then decide whether it should be manned or unmanned? For the White House now to embrace NASA's seven-passenger platform in the sky would be more a leap into the dark than into space.

—THE NEW YORK TIMES

The Phone Experiment

On New Year's Day, the United States will embark on a fascinating experiment in applied economic theory. It will break up the national telephone monopoly, the world's biggest company, to make the service more competitive and efficient. Will it work? Most customers, to judge by signals received here, are against the idea and expect only trouble. People ask where this plan came from, and why.

The answer is that the antitrust laws reacted with technological developments to create a paradox that, at least in the early stages, no one fully foresaw. For most of its long life, American Telephone & Telegraph allowed only its own equipment to be connected to its network. But as time went on, other electronics manufacturers began to charge that the rule was anticompetitive and cut them out of an enormous market in office equipment. In 1968, the Federal Communications Commission decided that they were right and, the following year, it also permitted another kind of competitor, MCI, to operate a long-distance line in the Midwest for private customers.

That opened a decade of vehement combat before the FCC and the courts, as the competitors fought to widen areas of competition. AT&T's lawyers protested that the company was being ordered to obey conflicting commands, to behave like a regulated monopoly but also like a competitor in an open market. The FCC, presiding over the regulation, saw the dilemma but could not go backward. As the phone business began to overlap with the computer and data-processing businesses, the

FCC could not re-establish monopoly rules without imposing intolerable regulatory constraints on the computer makers and the data processors. But at the same time, the Justice Department, responsible for enforcing the rules of competition, charged that AT&T was not allowing an adequately open market. It brought an antitrust suit.

Halfway through the trial in that case, the presiding judge, Harold Greene, offered a heavy hint that the evidence was running strongly against AT&T. A bad verdict would have exposed AT&T to suits for incalculable damages by any communications or equipment company that could claim to have been a potential competitor. That is why AT&T decided, in late 1981, that it had to settle out of court. The only solution was to try to disentangle the regulated parts of the company from the unregulated parts. The result is the divestiture that will take place Sunday.

The economists are probably right in saying that service will get more efficient, and costs will be lower than they would have been. But those costs will also be redistributed from business users to private families, and that will not be popular. Customers are probably right in thinking that more efficient phone service means more nuisance. Buying your own phone and keeping it repaired ought to be no harder than picking out a TV set and keeping it in operation. But, telephonically speaking, the world is not likely to be quite so comfortable for Americans in 1984 as it was in 1983.

—THE WASHINGTON POST

Subsidizing the Rope

Lenin is often quoted to the effect that capitalists would always be eager to sell the rope to hang themselves. There is some doubt about whether he really said it, but he might as well have. It seems an apt description of Americans' current inclination to subsidize the construction of foreign steel mills in the midst of a chronic steel glut.

The United States and Western Europe dominated steelmaking in the 1950s and 1960s. Then, in the 1970s, Japan appeared as a major steel power. Now developing countries such as South Korea, Mexico and Brazil are taking a growing share of the market from the advanced industrial nations.

That is neither surprising nor, in the long run, undesirable. If the highly developed countries are to continue to grow, they have to learn to accommodate to the decline of their older, less efficient industries. And if Third World societies are to attain decent living standards, they need fair access to world markets. Their lower labor costs, and the advantage of starting with the most modern technology, make such countries natural steel exporters.

What is hardly desirable, however, is for the decline of the U.S. and European steel indus-

tries to be exacerbated and accelerated by their own governments. Yet that is what happens when developed nations offer subsidies to Third World buyers of steelmaking equipment. And that is why the U.S. undersecretary of commerce, Lionel Olmer, was right to protest a proposal to offer cheap Export-Import Bank credits for a complex that would increase South Korea's steel output by a third.

The Ex-Im Bank's decision to halt such subsidized financing of steel plants would not by itself make much difference. The slack—and the equipment orders—would simply be taken up by subsidized Japanese or French or British exporters. What is needed is an agreement among all exporting nations to eliminate these subsidies. U.S. trade representatives are reportedly pressing for such a compact.

Virtually all export subsidies distort trade patterns and reduce global productivity. Export subsidies to steelmakers add a second whammy because they legitimize the demands of domestic steelmakers for better protection against subsidized foreign competitors. Protectionism is a harmful response to trade pressures. Subsidizing competitors is suicidal.

—THE NEW YORK TIMES

Other Opinion

Riding the Waves in Oceania

All over George Orwell's fantasy-land of Oceania—which, happily, we still know as Britain and North America—people are bracing for the coming New Year's Eve. They know that they will crawl blearily from bed Jan. 1 into 1984—the most famous (and ominous) fictional date in history.

We shall be symposiumed and seminized within an inch of our lives on such unlikely themes as, "Does Ronald Reagan Practice Big Brotherism?"

It is, of course, largely nonsense—not Orwell's brilliant novel, of course; merely the

proposition that we were or are in danger of becoming like Oceania. Someone has said, catchily, that Orwell's novel "failed as a prophecy because it succeeded as a warning."

That, too, is nonsense. Where its warning might have been appropriate (the Soviet Union, Maoist China), "1984" was unavailable and unread. Where it was widely read and admired, in the United States and Western Europe, no such "warning" was needed, because there existed neither the historic basis nor the predisposition for totalitarianism. No, "Oceania" is no more with us than Lilliput.

—Edwin M. Yoder, The Washington Post

FROM OUR DEC. 29 PAGES, 75 AND 50 YEARS AGO

1908: The Show Must Not Go On

NEW YORK — The [municipal] council, Mr. Francis K. "ndleton, has directed that proceedings be instituted for the revocation of the licenses of four theaters — Hammerstein's Victoria, the Alhambra, the American and Hartig, and Seamon's Music Hall — for violating laws regarding Sunday performances. Showmen declare that if Sunday entertainments are confined they will be stripped of nearly every attraction. In one [Dec. 27] performance a bank robber was reformd simply because the law required that the performance be uplifting. One music-hall manager says: "If you make the people laugh on Sundays, then you'll get arrested."

1933: A Soviet Call For Peace

MOSCOW — The Soviet desire for peace, but readiness to repel an attack, was emphasized by President Molotov of the council of commissars in addressing the All-Soviet Congress here [Dec. 28]. He said that recognition of the Soviet Union by the United States was the most important event of the last year. Recognition, he added, reflected the attitude of the American masses as proved by the warm reception of Foreign Commissar Maxim Litvinov. Regarding Japan, he said that the Soviet Union's peace policy was proved by the offer of a nonaggression pact, but the Japanese military elements were provocative and the danger of an attack was still present.

The Road Back to the Negotiating Table

By Gerard C. Smith, Paul C. Warnke and John B. Rhinelander

WASHINGTON — If public posturing by the United States and the Soviet Union is dropped, agreements limiting both strategic and intermediate-range nuclear forces may still be possible before the end of 1984. But this will require serious proposals, new negotiating approaches and a commitment by both sides greater than that so far demonstrated. A number of avenues, which are evident to us as negotiators, are possible.

The talks in Geneva dealing with intermediate-range nuclear missiles in Europe collapsed when the Soviet Union withdrew Nov. 23. In addition, on leaving the negotiations on strategic arms, the Soviet delegation refused to set a resumption date.

It is no secret that relations between the two countries have deteriorated to their lowest level in years. Distrust is pervasive. Uncertainty surrounding the health of Yuri V. Andropov has thrown into doubt the Kremlin's ability to respond even if it thought the Reagan administration was serious about negotiations.

We accept President Reagan's professed desire for a meaningful agreement with Moscow but doubt that he understands what significant adjustments would be required on both sides. Nor is it clear that the administration has correctly assessed the implications of the failures at the two sets of arms talks. Contrary to the administration's rationale, the continuing deployment of cruise and Pershing-2 missiles will not improve deterrence in Europe and will weaken NATO cohesion. At a minimum, the Russians can be expected to continue to add SS-20 missiles in European Russia, modernize shorter-range ballistic missiles in Eastern Europe and station new types of "10-minute" missiles off the U.S. coasts.

The United States has not ratified any agreement on controls of strategic weapons for more than 10 years. Two test ban treaties have been negotiated, yet remain unratified, as does SALT-2. The administration has withdrawn from the Comprehensive Test Ban Treaty negotiations and has not responded to Soviet attempts to reopen talks to ban anti-satellite weapons. Meanwhile, President Reagan's enthusiasm for

"star wars" schemes threatens to undermine the Anti-Ballistic Missile Treaty, the most significant arms agreement yet achieved.

The United States and the Soviet Union should accept the reality that intermediate and long-range nuclear systems, which have been the subjects of separate sets of talks, should be negotiated as a single package. Such an approach could resolve the dilemma of the British and French nuclear systems, allowing trade-offs that would bridge the artificial distinctions between intermediate-range and other strategic nuclear weapons. The talks on intermediate-range missiles have far more political than military significance. Their resolution must be within the context of underlying security concerns.

More importantly, U.S. and Soviet proposals must directly address the basic concerns of the other side. The Soviet Union, in the START talks, has failed to indicate any willingness to negotiate reductions in its very large SS-18 intercontinental

ballistic missiles. All of the Reagan administration's START proposals would require drastic reductions in Soviet land-based missiles without limiting the proposed deployment of the MX and Trident-2. America has yet to make a proposal that would significantly restrict bombers carrying cruise missiles—two areas of U.S. advantage and Soviet concern. But any agreement must be in the interests of both sides.

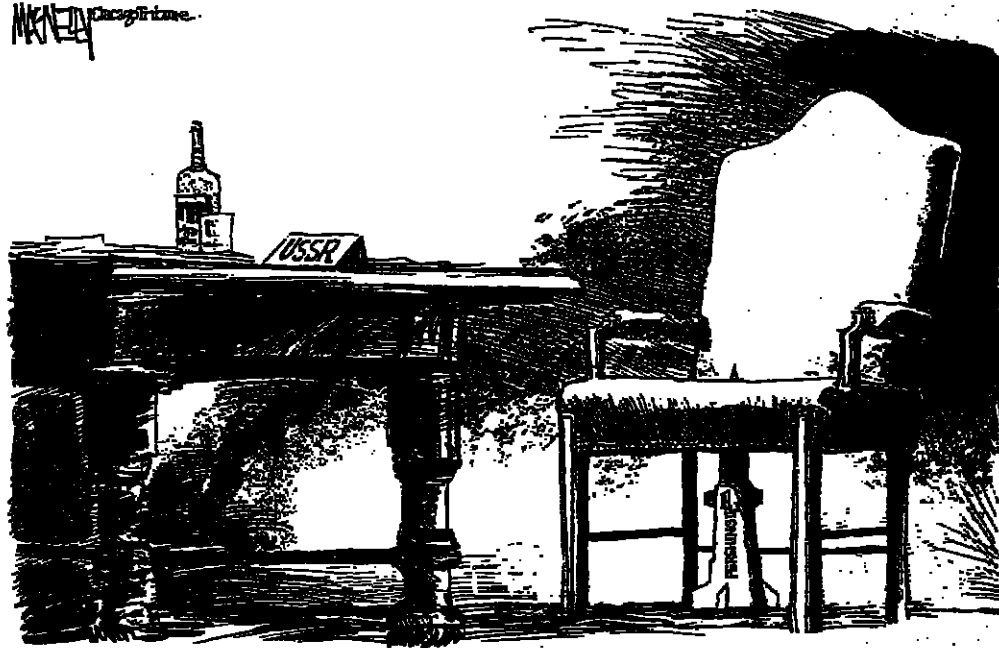
The United States should adopt a negotiating approach aimed at achieving step-by-step results. Whatever the merits of the administration's strategic arms and "build-down" formulas, they represent a radical shift from the accepted SALT framework. Experience teaches that negotiations with the Russians can proceed only if limitations accepted at one stage serve as the basis for stricter constraints at the next. At the strategic arms talks, the Soviet Union put forward a proposal, based on the SALT-2 treaty framework, that would generate cuts below the SALT-2 ceilings. Al-

though the proposal is not acceptable in its present form, Washington should challenge the Soviet leaders to expand on their offer and should be prepared to accept restrictions on cruise missiles, bombers and submarines in return for deeper cuts in land-based ICBMs.

A highly qualified special negotiator, enjoying President Reagan's full support, should carry the search for agreement directly to Moscow. One candidate would be Melvin R. Laird, the defense secretary under President Richard Nixon.

We recall that after years of frustrating talks, in 1963 the Limited Test Ban Treaty was negotiated by Averell Harriman after 13 days in Moscow. With skill, zeal and the proper negotiation, Governor Harriman's 13 days in Moscow could be repeated — and a durable arms agreement negotiated.

Gerard C. Smith headed the U.S. delegation in the talks that led to the SALT-1 agreements; Paul C. Warnke headed the SALT-2 delegation; and John B. Rhinelander was legal adviser to the SALT-1 delegation. They contributed this comment to The New York Times.



Reagan, 'Jogging Along,' Should Head to Moscow

By James Reston

NEW YORK — In his last news conference of 1983, President Reagan took a cautious, optimistic view of what would be an unrealistic view of U.S. relations with the Soviet Union and the Middle East.

He said he had always been willing to go to Moscow if there was "a possibility of accomplishing something." Considering the poor state of relations between the two countries and the poor state of Yuri Andropov's health, the timing is not good. But then, in the long, acrimonious history of U.S.-Soviet relations, it never is.

It is the same old dilemma. They cannot meet unless there is a possibility of "accomplishing something," and they cannot accomplish anything unless they meet.

Even when the United States had a monopoly on nuclear weapons after World War II, nobody in the United States paid attention to Winston Churchill's warning about the Russians. "What will happen," Churchill asked in October 1948, when he was out of office, "when they get the atomic bomb themselves and have accumulated a large store?"

"If they can continue month after month disturbing and tormenting the world," he continued, "trusting to our Christian and altruistic inhibitions against using this new power against them, what will they do when they them-

selves have huge quantities of atomic bombs?"

"No one in his senses," Churchill added in a neglected speech, "can believe that we have a limitless time before us. We ought to bring matters to a head and make a final settlement. We ought not to go jogging along imprecisely, incompetent, waiting for something to turn up."

But this is precisely what is happening. It is true that the United States is building its military strength, but Mr. Reagan mainly is "jogging along" and "waiting for something to turn up."

In his year-end talk with news agency reporters, Mr. Reagan took an optimistic view of U.S. relations with the Soviet Union.

"I believe we are further from a confrontation," he said, "because of the deterrent capabilities of the United States and our allies. I think there was a far more unstable condition when we had let our own strength deteriorate to the point that there was a window of vulnerability."

And he added that he was optimistic about the developments in the Middle East at the end of the year. There was a good chance, he said, of reviving his 15-month-old peace plan even without a resolution of the Lebanon war, and despite the opposition of Israel and Syria. He was also

optimistic that the Soviet Union would come back to the arms control negotiations in Geneva, and that maybe it would be possible to work out a compromise with the Palestinians, the Jordanians and the Israelis. But he did not say how, and he did not say when.

Meanwhile, there is a blackout of communications between Washington and Moscow. This is the present problem. The nuclear arms talks have either broken down or been put on hold. The undersecretary of state for political affairs, Lawrence Eagleburger, remarked the other day that getting through to Moscow was a problem, because, he said, "nobody answered."

But Mr. Reagan told the news agency reporters not to worry about either the Soviet or the Middle Eastern problems. The Russians would come back to the nuclear arms talks "the ball is now in their court," he said — the confrontation with Moscow was now better because the United States was now "stronger," and there was a chance that even the defeat of the Arafat Palestinians could help.

Maybe so. But the chances are that nothing important will be done about the arms race unless Mr. Reagan and Mr. Andropov get together before the 1984 presidential election begins to interfere with serious negotiation.

The New York Times

Two Ways Nakasone Can Bolster His Shaky Position

By Ken Ishii

TOKYO — Prime Minister Yasuhiro Nakasone may have managed to wiggle out of a tight corner after the recent general election that reduced his party's lower house strength by 34 seats, but he still faces a lot of trouble.

Mr. Nakasone had to add eight independents to the Liberal Democratic Party rolls and was able to negotiate a coalition with the nine-member New Liberal Club to restore the stable majority he lost.

But it had been Mr. Nakasone's hope that the election would give his party a convincing victory, guaranteeing his re-election next November as party president, the post that entitles him to the prime ministership.

The ruling party now can count on 267 votes in the 511-member House of Representatives, down from 284 but still enough to assure Liberal Democratic control of all the major standing committees.

But if Mr. Nakasone hopes to stay in power beyond 1984, he must act to

consolidate his position. There are two ways he can do that.

The first is to broaden public support by pushing through the domestic reforms he has promised. But this depends on the unity of the party.

In this regard, Mr. Nakasone appears to have apportioned his cabinet posts well, distributing them among the party factions in relation to factional strength. And, as Mr. Nakasone promised, the influence of the faction headed by former Prime Minister Kakuei Tanaka, whose bribery conviction precipitated the election, has been weakened. The faction retains its six portfolios but has been eliminated from key cabinet and party positions.

The second possibility is for the prime minister to call another general election before November, this time without the stigma of the Tanaka scandal, in the expectation of a convincing victory he could ride to an-

other term at the November party convention. May and June are the months mentioned as a likely time to dissolve the new Diet, but this was before the New Liberal Club agreed on a joint front with the LDP.

In a new election, the prime minister would certainly avoid the mistakes of the recent poll. His party was hurt by the question of political ethics, but perhaps not as much as it was hurt by disunity, with rival factions fielding too many candidates in the same constituencies. Sixty-one LDP candidates were close runners-up. The lowest turnout since 1945, attributed to cold weather, also hurt.

Mr. Nakasone is the last of the "old guard" faction leaders to become prime minister in postwar Japan. Men like Takeo Fukuda, Takeo Miki, Kakuei Tanaka and Zenko Suzuki have had their day and are grooming promising younger men within their factions. The most likely

successors to the prime ministership appear to be Kiichi Miyazawa, a former foreign minister and a member of the Suzuki faction, Noboru Takeuchi, a Tanaka backer who retains the job of finance minister in the new cabinet, and Shintaro Abe, the returning foreign minister, who is known as the crown prince of the Fukuda faction.

Not to be discounted is Toshio Komoto, a relative newcomer to factional leadership but a fierce opponent of Mr. Tanaka, who has been named director-general of the Economic Planning Agency.

But Mr. Nakasone is far from ready to fade away. In naming his new cabinet and party executives he was under strong pressure from the Suzuki faction to accept Mr. Miyazawa as party secretary-general, a post considered a stepping-stone to the party presidency. He gave the job instead to Rokuseki Tanaka, whose ambitions are less immediate.

International Herald Tribune

For OPEC, No Banquet Is in Sight

By Hobart Rowen

WASHINGTON — A diplomat recently back from Saudi Arabia remarks that his Saudi friends were praying last winter for a sharp economic recovery in the United States. Surely, they calculated, a rising tide of American prosperity would pick up the demand for oil.

But while the pace and the scope of recovery in the United States have surpassed most projections, the oil market continues in the doldrums. And the Organization of Petroleum Exporting Countries — or what is left of it — is struggling to maintain a \$29 price per barrel, 35 below the level that prevailed in March 1983, before OPEC's first formal price cutback.

What is difficult for the Saudis to accept (and indeed, what many investors do not want to accept) is that there has been a fundamental change in the pattern of energy consumption: Economic recovery can proceed without a one-to-one ratio in increased demand for oil.

Total energy consumption per unit of output in the United States has been sliding since the first oil shock. Increasingly, the world has been learning to live without oil or to reduce dramatically its use, as the Saudi oil minister, Sheikh Ahmed Zaki Yamani, foresaw long ago.

At a recent conference in Paris, U.S. Energy Secretary Donald P. Hodel said the American economy could grow by 2.5 percent annually to the end of the century, with a mere 1.5 percent increase in the use of all energy. And oil would be a shrinking percentage of total energy needs. Philip Verleger of Deutsche Bank, Lambert points out that in the early 1970s, many experts had predicted that oil use in non-Communist countries would soar from the peak of 60 million barrels a day at that time to 85 million barrels. Now, Mr. Verleger says, "The question has become, 'Will consumption in 1985 reach 45 million barrels a day?' The answer is: 'Probably not.'"

That explains why the real price of crude oil and of oil products must decline, and why there is little OPEC can do about it. Iran's effort at the recent OPEC meeting in Geneva to boost the price back to March's \$34 level was just a rhetorical exercise. Sheikh Yamani would be happy just to get a freeze on prices through 1985.

But it is far from certain that the sheikh can hold prices at \$29. As things stand, when Saudi production tops 6 million barrels a day (it used to exceed 10 million) prices start to weaken. OPEC is struggling to market 17.5 million barrels a day, against a peak two years ago of 30 million.

Oil-market sources report that the Saudis have chartered as many as 15 oil tankers, purportedly to avenge the West because a reserve supply of oil is being put out of the reach of hostile Iran. But Mr. Verleger suspects that the true Saudi motive is to try to keep production as high as 5 million barrels a day — even if Saudi Arabia cannot sell that much at the moment — in the hopes of a pickup in demand late in 1984.

But it is hard to see how prices can do anything but fall. According to Abdullah A. Sudi, chief executive of the Arab Banking Corp. of Bahrain, the oil and financial communities in the Gulf realize that the big boom in oil prices and the growth of revenues has come to an end for the foreseeable future. There may even be, he said, a wave of takeovers and mergers of private Arab banks.

The IMF managing director, Jacques de Larosiere, has hinted more cautiously that real oil prices could be maintained at best for two or three years. This would mean that OPEC countries no longer would have huge financial surpluses for their own industrialization, to say nothing of loans to Third World countries.

It appears that OPEC's clout will continue to diminish. "The fates have been unkind to producers of crude oil, refiners and marketers," says Mr. Verleger. "The 1980s (were supposed) to be a 'banquet decade.' Instead, a soup kitchen replaced the banquet hall." Considering the havoc that OPEC's policies wreaked on the rest of the world, it is hard to shed a tear.

The Washington Post

Letters intended for publication should be addressed "Letters to the Editor," and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

LETTERS TO THE EDITOR

Democracy in Pakistan

Regarding "Pakistan: When a Democracy Ignores Democracy" (IT, Nov. 30) by Eghal Khamis:

There has been marked economic improvement during the six years of General Mohammed Zia ul-Haq's rule and, if for nothing else, he will be remembered for his building of roads, especially roads linking villages with cities.

I don't approve of martial law. But what has democracy done for Pakistan? I long for democracy, but if democracy means that the words of a petty party official are to become law, then I would rather opt for something else. It was during the so-called democratic period that Pakistan's biggest industry, textiles, was shattered, along with the confidence of the business community. A rule of law — that is what Pakistan needs.

We all must do all that is possible, now that General Zia is going to hold elections, to elect honest and capable people who believe in justice and who will help eradicate corruption.

M.B. CHAUDHRY, London.

No Tyrant, He

Regarding "Is Catalan Classic 'Bea Book in World'?" (IT, Dec. 13) by Herbert Mingus:

It is indeed good news that "Tirant lo Blanc," that great novel of chivalry of medieval Catalan literature, should now be coming out in an English translation. May I, however, correct an inaccuracy in your article. The eponymous hero's name does not mean "The White Tyrant." What it does mean is explained by Tirant himself in Chapter 29: "They call me Tirant lo Blanc because my father was lord of the march of Valhara, which lies across the sea from England, and my mother was the Duke of Brittany's daughter, and her name was Blanca, and so they decided to call me Tirant the White." As you can see, nothing to do with tyranny. In any case, the Catalan for "tyrant" would be "tir," far from being a tyrant, Tirant is a paragon of chivalry, and publicly declared by the king of England to be "the best of knights" (Chapter 58).

AMADEU SOLE-LERUS, Rocca di Papa, Italy.

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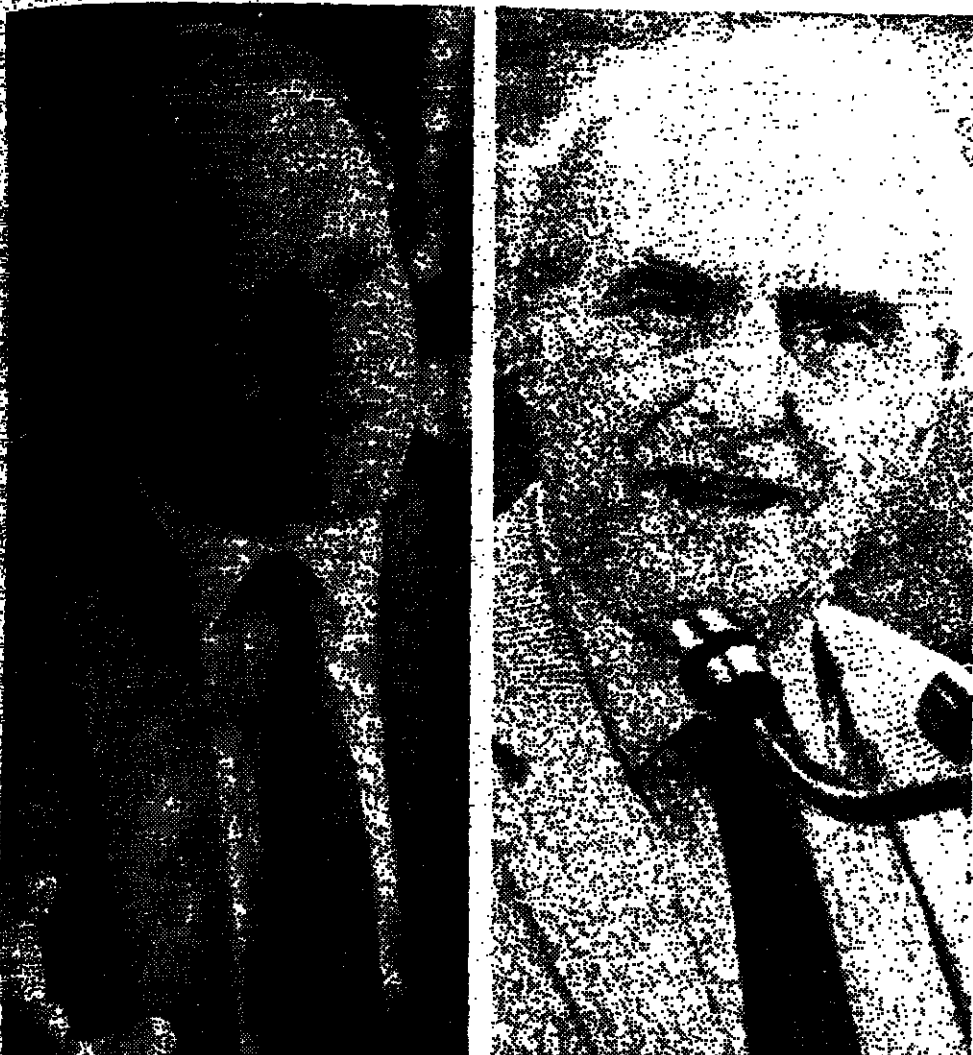
A quiet moment for

GREECE

A SPECIAL REPORT

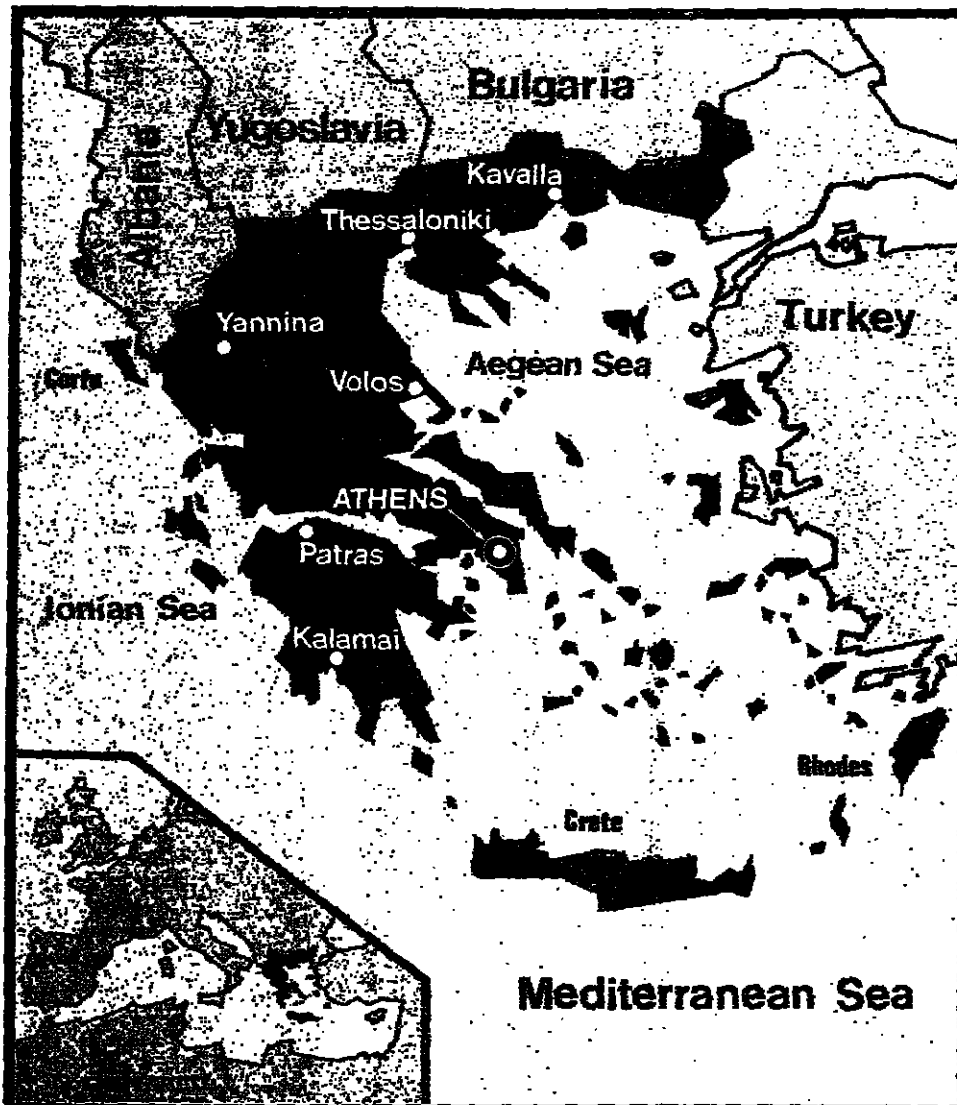
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Economy Minister Gerassimos Arsenis

Prime Minister Andreas Papandreu



Membership in EC Gives the Economy A Vital Expansion

By Gerard Castoriadis

ATHENS — Few people here would disagree that Greece was saved by the bell when it joined the European Community in 1981. Worldwide economic depression is persisting and Greece still has major financial problems, but Athens has benefited from net capital inflows from the community and secure markets for its agricultural products.

Leaders of the Panhellenic Socialist Movement who recently were demanding a pullout from the EC, or at least a national referendum over membership, now make the most of Greece's role in the community. In private, some Socialist government officials even go so far as to credit the conservative president, Constantine Caramanlis, with foresight in bringing Greece into the EC. "He saw [the crisis] coming," one Socialist official said recently. "Were it not for the community, Greece now would look like a lonely and frail boat sailing tumultuous waters."

The growth of the gross domestic product this year will be around 1 percent. This is much less than the 5-percent average growth of the 1970s, but even 1 percent is refreshing news. The gross domestic product declined in 1981 by 0.3 percent — the first fall since World War II — and it rose just 0.5 percent last year.

Greece has four principal sources of foreign revenue: shipping, agriculture, tourism and remittances from Greek expatriates. Industry and services play a lesser but growing role.

The worldwide recession had disastrous effects on shipping, with a sharp drop in demand for cargo space. As a result, shipowners must pay \$500 to \$1,000 a day to keep an average ship idle. The industry is losing money, as revenues have declined from more than \$2.2 billion in 1980 to \$1.3 billion last year and \$890 million for the first 10 months of 1983.

Also, income from tourism has dwindled. Although the number of visitors remained fairly stable at about 5 million annually, today's tourist spends less money and takes shorter holidays abroad.

With those two sources of income down, Greece has been facing a serious deficit in the current-account balance, which stood at \$2.4 billion in 1981 when the Socialists came into power. This left little room for implementing the rhetoric of the election campaign, and the government of Prime Minister Andreas Papandreu decided on a more orthodox way of running the economy. "Socialism," said the economics minister, Gerassimos Arsenis, "today means more competitiveness."

Mr. Arsenis, who is also the governor of the central bank, was given wide authority to tackle the economy's two main problems: a chronic and widening current-account deficit that required continued borrowing, and inflation of 25 percent a year, the highest in the community.

With a mixture of tough, sometimes ruthless measures and what a banker in Athens termed "calculated but hair-raising risks," Mr. Arsenis managed to gradually bring down the deficit and the inflation rate. For the first time in four years, inflation may be less than 22 percent for 1983, and it may decline to 20 percent or less in 1984.

Gambling that there would be no threats to oil supplies nor significantly higher prices, the government last year postponed replenishing the country's strategic oil reserves. This move saved about \$240 million and was repeated, to a lesser extent, this year. With a transfer of EC funds totaling \$550 million in 1983, nonincurring events alone saved Greece almost \$1 billion in borrowing this year, bringing down the current-

(Continued on Next Page)

'Offshore' Companies Hint New Restrictions Will Drive Them Out of Athens

By George Coats

ATHENS — The Greek government appears to be heading for difficulties in its relations with the 40 or so offshore companies in Greece.

The companies were attracted to Greece under a tax-break law, Law 89, enacted in the early 1970s to bring home the shipowners of Greek vessels whose vessels were scattered under a multitude of flags of convenience. In subsequent years, as the Middle East became apparently the world's only busi-

ness oasis in a desert of recession, Law 89 took on a new dimension. Greece's communications network with the region, the appeal of Athens as a relatively inexpensive, amenable city, and the commercial infrastructure of Piraeus made Greece an attractive location for those wishing to do business in the Middle East.

Greece's appeal was boosted by the Lebanese civil war when companies driven from Beirut were looking for new facilities. The conservative government at that time saw every new applicant

as evidence that its dream of making Athens the new Beirut was coming closer. But it overlooked the fact that Athens lacked the free-wheeling and efficient banking system and civil service of the Lebanese capital.

Law 89 companies were regularly complaining about the Byzantine complexity of doing the simplest transactions in Greece. But that was a minor irritant. New problems arose two years ago with the election of Andreas Papandreu to head Greece's first Socialist government. His Panhellenic

Socialist Movement came to office with a negative view of offshore companies. They were tax-free and therefore contributed nothing to the economy, the Socialists believed. The companies were seen as capitalist and foreign, therefore parasitical, and it was felt that they should be forced to pay or to leave. The change in climate in the ministries with which Law 89 companies did business was noticeable almost immediately.

The result has been a decline in the number of companies seeking to establish offshore operations in

Greece. When the Socialists came to power there were two inquiries for every Law 89 company that withdrew. Today the numbers balance out.

The root of the problem, according to Law 89 businessmen, is that the government has been unable to separate the dogmatic from the pragmatic and has failed to establish a tight set of guidelines for

offshore operations. These complaints are shared by Greek businessmen.

The offshore companies do, in fact, make a considerable contribution to the Greek economy, bringing in about \$250 million a year in foreign currency, equal to roughly one-eighth of the country's balance-of-payments deficit. But in re-

(Continued on Next Page)

Foreign Policy: Dissent Within NATO Alliance

ATHENS — When Prime Minister Andreas Papandreu's Socialists came to power two years ago, they were confronted with a number of unresolved foreign policy problems. The issues were complex and had been made even more so by the previous government's attempts to alleviate them by pressuring Greece's allies. Such tactics were not only failing but were producing even more problems.

A dispute in the mid-1970s with Turkey over the Aegean Sea — and subsequently over Cyprus — led to an erosion of Greece's relations with its friends, including its major ally, the United States.

As an opposition leader Mr. Papandreu contributed to the popular conviction that the United States had installed and maintained the Greek military dictatorship until its fall in 1974 and that Washington was responsible for not containing Turkey. His advocacy of a reorientation away from the West had considerable impact in a country where foreign policy is of immediate interest to the man in the street and must be conducted against a background of popular expectations and suspicions.

Mr. Papandreu inherited a Greece whose withdrawal from the North Atlantic Treaty Organization in 1974 — to protest NATO's inactivity in the face of Turkey's occupation of northern Cyprus — had been only partly resolved, as the emotionally explosive military question of control over the Aegean was left open.



Mr. Papandreu, right, during debate on bases agreement in Parliament.

In addition, the future of the U.S. bases in Greece, which had been put in doubt to pressure Washington into influencing Turkey, had defied solution through two sets of negotiations.

Mr. Papandreu's strategy, as spelled out in election speeches, had an appealing simplicity. Greece, he said, had for too long been taken for granted. Now its support would have to be pur-

chased rather than unconditionally given. At his first NATO ministerial meeting after taking office, he told his allies that NATO's policy on Greece went through Ankara.

In fact, the Papandreu approach appears to differ little from the policies of his predecessors, but it is more forcefully expressed. And instead of closing the U.S. bases and again withdrawing from NATO's integrated military command,

Mr. Papandreu has chosen to be a maverick within the alliance. As a result, Greece has shown no hesitation in distancing itself from its partners in the European Community and in NATO on a number of issues. It was the first EC state to officially host the Palestine Liberation Organization leader, Yasser Arafat, and grant the PLO diplomatic recognition. To improve

(Continued on Next Page)

2 Years in Power: Socialists Popular Despite Problems

By Andriana Ierodiakonou

ATHENS — The crowd was a little thinner, the enthusiasm a little less sweeping, the speaker a little less fiery and inspired. But a person who wandered into Syntagma Square on the night of Oct. 18 might have thought he was reliving history.

Just as two years before, on the eve of national elections that brought Greece's first Socialist government to power, a fantasia of green party flags and banners filled the square. The Socialist leader, Andreas Papandreu, once more painted a vision of *allaghi* — change.

The anniversary event — an extravaganza organized by the government in a midterm bid to rally voter support — was severely criticized by the upstaged conservative

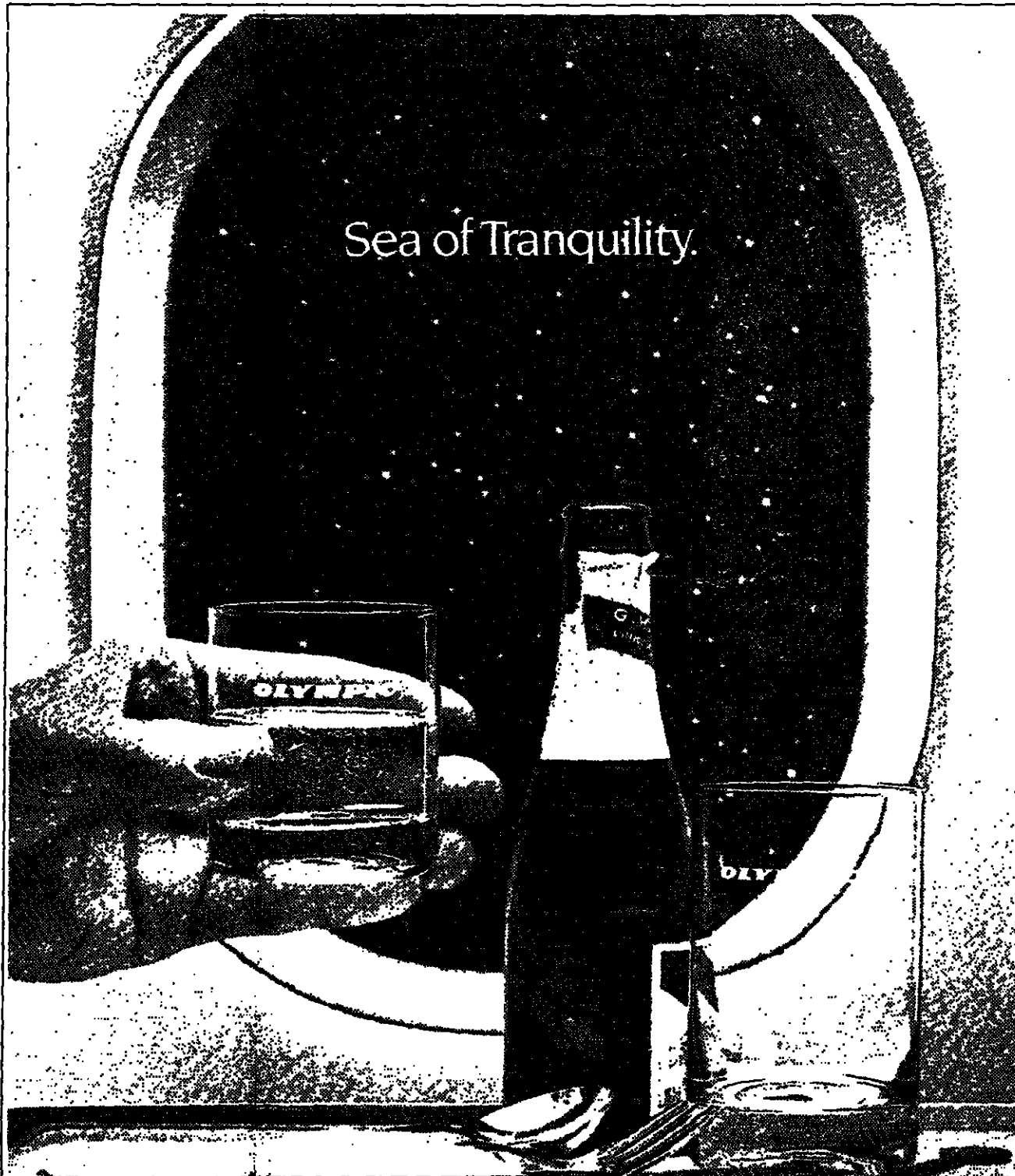
opposition. But this hardly worried the Socialists.

After two years in power, the government's strongest cards are the popularity of Prime Minister Papandreu and the lack of an effective opposition.

To the left, the pro-Moscow Communist Party of Greece has increased its support from the 11 percent it won in 1981, but its estimated 14 or 15 percent is still not a significant threat. To the right, the political vacuum is absolute. The assortment of small centrist parties, which were decimated in 1981, are still unlikely to attract anything other than protest votes.

The conservative New Democracy Party, Greece's main opposition group, remains in suspended animation.

(Continued on Next Page)



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A quiet moment for a young Greek boy.

GREECE



Tourists relax at cafe in sight of the Acropolis.

EC Link Gives the Economy a Vital Lift

(Continued From Preceding Page)

account deficit to an estimated \$1.7 billion, a manageable level by today's standards.

Will this progress continue? "It all depends on the government's monetary and wages policies in 1984," a businessman said. "If the Greek drachma keeps sliding and wages and salaries are kept down to a reasonable level in spite of inflation, then one can assume that Greek exports and tourism in Greece stand a serious competitive chance in a cutthroat worldwide competition," he said.

There are signs that the Socialist-dominated labor unions will not press for high salary adjustments in 1984. At a meeting of the Greek confederation of labor on Dec. 13, moderation prevailed. With unemployment at about 10 percent, the unions' demands have been fairly reasonable. But this cannot last forever, as inflation continues to eat up the workers' purchasing power.

Uncertainties about Socialist policies virtually halted investments after the 1981 election. Despite the government's pragmatic approach on economic issues, sizable investments have failed to materialize. New

money has been mostly directed at small and medium-sized plant expansions and increases in companies' capital.

On the brighter side is agriculture, where Greek farmers stand to benefit the most from membership in the European Community. The state-controlled Agricultural Bank of Greece has quickly become the country's second-largest credit institution, with 366 branches and assets of 413 billion drachmas (about \$4 billion). On the Athens Stock Exchange, food and beverage shares are the most active. But Greek officials are worried that the failure of community leaders to agree on a Common Agricultural Policy at their summit meeting in Athens earlier this month may have negative effects.

The Greek economy is showing signs of strain. It is generally accepted in Athens that a mild, slow, but steady growth is to be expected over 1984-85, unless a major international crisis occurs. While borrowing requirements will remain at a manageable \$1 billion or so, this will reduce the drachma's value against stronger currencies. Greece will continue to receive more than 5 million tourists and about \$800 million in invisible earnings, but shipping is unlikely to pick up substantially in the foreseeable future.

2 Years in Power: Socialists Popular Despite Problems

(Continued From Preceding Page)

mation. Despite internal calls for renewal, the party leadership is still in the hands of Evangelos Averoff, a septuagenarian representative of the party's far-right wing who is unlikely to attract centrist voters disillusioned with the Socialists.

A promised party program setting new goals and policies has yet to materialize. The conservatives admit to themselves that they still lack a grass-roots organization, a key ingredient in the Socialists' 1981 success. Not surprisingly, party funds are low as traditional conservative backers hesitate to place their money on what is so obviously the wrong horse.

Key economic indicators remain gloomy, spelling problems for reforms in areas such as health and social welfare, and hindering efforts to decentralize.

Unemployment has risen to more than 10 percent. Inflation remains at more than 20 percent. A drachma devaluation last January failed to improve exports or tourism, with invisible earnings from shipping and worker remittances also low due to the international economic crisis. Ambitious targets for growth of the gross domestic product — more than 3 percent a year through 1987 — are unlikely to be met.

The Socialists have responded to this bleak picture by seasoning their economic policy with a strong measure of politics. At home, the government has launched a crusade against corruption in business, highlighted by charges of currency smuggling among the management at the Hercules General Cement Co. Looking abroad, the Socialists blame Greece's economic ills on the crisis of world capitalism and the imbalance between the industrialized and developing nations.

In foreign policy, Mr. Papandreu has walked a tightrope, keeping Greece in NATO and the European Community and signing a five-year agreement on the U.S. military bases in Greece, but raising a dissident voice on East-West issues such as the deployment of Pershing-2 and cruise missiles and the downing of the South Korean airliner by the Soviet Union.

At home, this policy has achieved just what Mr. Papandreu intended: keeping docile the Communist opposition, an important and potentially disruptive force in the labor unions. But abroad, Mr. Papandreu may be wondering whether he has not merely succeeded in losing the West without winning the East.

The prime minister is known to have been angered by the lack of haste shown by the Soviet Union and the East European countries in condemning November's proclamation of an independent Turkish Cypriot state in northern Cyprus. The Arab countries, which Greece has been wooing at the expense of its relations with Israel, also responded with caution to the event.

Mr. Papandreu has turned to Britain and the United States and to groups such as the EC and the North Atlantic Treaty Organization for support on the Cyprus issue. But it is too early to predict a wholesale and permanent turn to the West.

Mr. Papandreu, and indeed many Greeks, feel under siege. The developments in Cyprus revived deep-seated fears of Turkish aggression and the conviction, shared by conservatives, that the West has always failed Greece and backed Turkey in confrontations.

Likewise, it is not at all certain that Mr. Papandreu will tone down the strong element of state intervention that is emerging in his economic policy or adopt a less strident tone toward capitalism.

On the contrary, with the economy on a downward slide, the easiest way out for the prime minister may be to continue to point a finger at U.S. monetarist policies and the northern, richer states of the EC and claim, as he has done on occasion, to be the victim of an international capitalist movement.

Mr. Papandreu's success in the last election owed a great deal both to slogans promising less privileged Greeks a greater share of the economic pie and on a platform of national pride and independence in foreign policy. The same slogans are likely to win him the next election.

Foreign Policy: Dissent Within NATO Alliance

(Continued From Preceding Page)

links with Moscow and Eastern Europe, Greece has called for the removal of nuclear weapons from the Balkans, refused to join in sanctions against Poland, called for a moratorium on the deployment of additional missiles in Europe, blocked an EC attempt to condemn the shooting down of the South Korean jet and refused an invitation to a parliamentary delegation visiting the Berlin Wall.

So Greece's voice has been heard, but to what effect and to what cost? That sort of question is not being asked in Athens. There is no evidence that there has been a thorough analysis of where Greece's security needs lie, whether the connection with the U.S. and NATO is necessary, and just how the alliance is changing as new, less Atlanticist European leaders come to power.

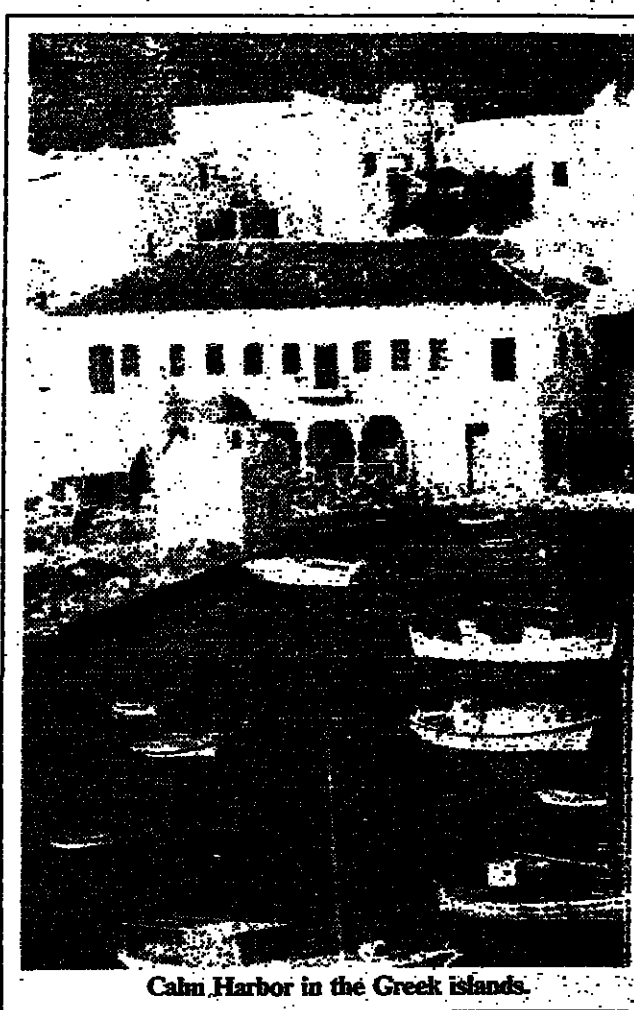
Mr. Papandreu's foreign policy has been characterized by a series of apparently opportunistic initiatives that do not seem to fit any overall pattern. His predecessors' major achievements had been to put the problems with Turkey onto the back burner and to establish a dialogue with Ankara, which left the main issues untouched but attempted to build an atmosphere of

confidence. Mr. Papandreu denounced this policy as a sellout, and his stance is perhaps more clearly seen with regard to Cyprus.

Mr. Papandreu has rushed in where previous administrations have been cautious, becoming the first prime minister to visit Cyprus and, while there, announcing a crusade against the Turkish occupation of the north. He also initially cast doubts about the sagacity of continuing with the intercommunal talks on the island. After an all-too-public dispute with the Cypriot president, Spyros Kyprionou, a somewhat reluctant Mr. Papandreu was prevailed upon to offer his "wholehearted" endorsement to the latest reconciliation initiative by the United Nations secretary-general, Javier Perez de Cuellar. But the unilateral declaration of independence by the Turkish Cypriots appears to have made the last two years' maneuverings academic.

Mr. Papandreu's renewal of the leases on the U.S. bases in Greece cost him some credibility among the left, notwithstanding his protestations that the five-year agreement does not mean their continued operation for five years but rather the honoring of his pre-election commitment to close them by allowing for their withdrawal after five years.

—GEORGE COATS



Calm Harbor in the Greek islands.

'Offshore' Companies Face New Restrictions

(Continued From Preceding Page)

cent months the companies have been subjected to measures that they feel amount to official harassment.

A year ago, the government decided to raise the bank deposits required of offshore companies from \$5,000 to \$50,000, both for new companies and for those already established.

This was followed by the cancellation of offshore companies' rights to send registered mail out of Greece unopened. Most agreed they could live with that, but it disturbed firms that did their accounting in Greece because it potentially violated the privacy they considered necessary for their operations.

The latest changing of the rules came with the announcement that offshore companies would have to contribute — retroactively — to IKA, the debt-laden national health and social security insurance program. Payments had previously been made by Law 89 companies for their employees from EC countries.

tries, but the new rule included American, Arab and Japanese workers, of whom many of the larger companies had a substantial number.

As IKA inspectors began making their demands, the offshore branch of a Virginia-based consulting firm, MDM Design Group, challenged the order's legality in court. In October MDM lost the case, and was ordered to pay 10 million drachmas (about \$101,000) in overdue contributions. The company withdrew from Greece.

The remaining Law 89 companies recently warned the National Economy Ministry that demands for retroactive IKA contributions could put many of them into serious difficulty.

Officially, the ministry continued to encourage offshore companies and says that IKA is an independent body over which it has no control. Businessmen affected by Law 89 do not believe this, and they hint that, should the government continue with its policies, many more companies will have to leave.

"HELLENIC ASPROPYRGOS REFINERY" Modernisation Project

Hellenic Aspropyrgos Refinery was built in 1956 at Greek Government expense, with the purpose of covering the needs of the Greek market in petroleum products.

It was, and still is, a "hydrocracking" Refinery.

In 1972 on extensive revamp and extension of the Aspropyrgos Refinery took place and seven "new" process units were erected, which however did not affect the "hydrocracking" character of the Refinery.

Refinery capacity was tripled of this time as it was able to provide better quality products while following more stringent specifications for the protection of the environment.

The Refinery covers today about 60% of the needs of the Greek market in petroleum products, and 100% of the demand of some special products like low lead premium gasoline, extra light diesel fuel for buses etc.

At the present stage of refinery operations, the Management, sensing the trend away from the use of "bottom of the barrel" products, has decided to proceed with the implementation of a scheme by which the traditional "hydrocracking" character of the Refinery would be changed into a "conversion" type, thus upgrading low value and low demand heavy ends into more valuable light ends and distillates.

The implementation will follow the steps stated herebelow:

1 - Greek Engineering Company "ASPROFOS S.A." was formed in partnership with a company of international standing (Foster Wheeler Italiana) to act as the Consultant for the Project, but also to promote the Transfer of Technology to Greece.

2 - This Company has now finalized the process scheme and has started selecting process licensors. Basic Engineering design has already started and discussions are already under way for starting detailed Engineering on substantial parts of the work.

3 - A preliminary list of the new units being proposed for the project follows:

| | | |
|--|--------|-------|
| 1 - New Vacuum Distillation unit | 50,000 | B/D |
| 2 - Vacuum Gas Oil Desulfurizer or LP Hydrocracker | 27,400 | |
| 3 - Fluid Cat. Cracker | 25,000 | |
| 4 - Gasoline MEROX Unit | 16,400 | |
| 5 - Naphtha Hydrotreater | 7,000 | |
| 6 - Catalytic reformer | 21,500 | |
| 7 - Sulfur unit | 155 | MT/D |
| 8 - Visbreaker unit | 23,200 | B/D |
| 9 - Isomerization unit | 7,500 | |
| 10 - Hydrogen production unit | 9.1 | MMSCF |
| 11 - LPG MEROX Unit | 7,300 | B/D |

Besides the above units, a number of "auxiliary" units are being considered and their economic attractiveness is being studied e.g.

| | | |
|----------------|-------|-----|
| MTBE | 800 | B/D |
| Polymerization | 1,300 | |

It is obvious from the above that the Refinery has launched an extensive "modernization" program to enhance its viability and competitiveness in the market, whose cost might exceed \$300,000,000. This is well in line with Government objectives whose target is a strong local Refinery and Petrochemical Industry that can credibly compete in the European Economic Community Market, while at the same time promoting the transfer of up-to-date petroleum technology to Greece.

METAXA the Greek classic

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هكذا في الأصل

GREECE

Place in the European Community: Partners Note Some Progress After a Slow Start

ATHENS — The failure of the European Community's summit meeting in Athens at the beginning of December marked the beginning of a period of uncertainty in Greece's relations with the community.

In theory, Greece's continued membership is linked to the success of the Greek memorandum, a petition submitted in the spring of 1982 appealing for more money for development projects and greater protection for Greek industry. In practice, since Greece took over the EC presidency last July, it was tacitly understood that a successful summit would secure the tolerance of the Socialist government toward the community.

In the last two years, the Greeks have not endeared themselves to the community. Among the major irritants have been Greek positions on East-West issues on the level of political cooperation, as well as carelessness in consulting trade

partners before the drachma devaluation in January 1983 and the signing of a trade agreement with the Soviet Union a month later.

But EC officials concede that a Greek pullout would be a political defeat for the community. They add that after an initially slow start, Greece is now making progress in adjusting to EC membership — for example, in applying several hundred directives to bring business and other practices in line with community regulations.

While Greece is likely to be brought before the European Court on disputes over product labeling and water-purification procedures, and while Athens also faces charges of a breach of the Treaty of Rome over a bill to set up a state pharmaceutical monopoly, community officials insist that none of this is unusual.

For its part, Greece has secured a two-year deadline extension, to January 1986, for the

introduction of the value-added tax. The Greeks have also fought hard to be allowed to apply an interim regulatory tax on imports, which preserves protection for locally manufactured products.

Greece's minister for EC affairs, Gregoris Varfis, has played a key role in advancing the Greek case at EC headquarters in Brussels. But he and other EC-minded members of the administration are now likely to find themselves in a minority.

The summit failure meant a loss of political face for Prime Minister Andreas Papandreu, who will now be strongly tempted to dust off the anti-EC rhetoric he had shelved during Greece's term in the presidency. In doing so, Mr. Papandreu would be backed by hard-line party and cabinet ideologues who are opposed to deferring decisions to Brussels and who feel Greece's interests as a poorer Mediterranean country are not served by the northern-oriented community.

The demands of the Greek memorandum were mainly expected to be met through the proposed "Integrated Mediterranean programs," which earmarked 2.5 billion ECUs (about \$2 billion) for Greece over the next five years. But with the community now facing severe budgetary problems, these plans are in serious trouble.

Mr. Papandreu is not expected to make any dramatic moves, however. Calling a referendum on EC withdrawal — the Socialists' original pledge — is still the prerogative of President Constantine Caramanlis. Mr. Caramanlis, who made it his career's work to get Greece into the community, is unlikely to assist in possibly easing its way out.

There are also considerable economic considerations in favor of not rocking the boat. Greece, like Italy and Ireland, is one of the main beneficiaries of the EC. Net receipts climbed sharply from 173 million ECUs in 1981, the first

full year of Greek membership, to 685 million ECUs in 1982, and they are expected to go up again this year.

But Greece faces a number of economic problems as a result of EC membership, a legacy of the mainly political decision to join, which overlooked basic frailties of the Greek economy. The trade deficit for manufactured goods between Greece and the community doubled in the first year of membership and the gap continues to widen. The agricultural trade balance, which was positive before accession, is now negative.

These considerations have prompted the economics minister, Gerassimos Arsenis, to state that the net effect of EC membership on the economy has been negative. Mr. Arsenis also argues that membership has caused consumer-goods prices to rise to levels well above the international average.

If Mr. Papandreu chooses to return to an

anti-EC platform — in European Parliament elections scheduled for June and in national elections in October 1985 — he will not have much trouble swaying public opinion.

Unlike other foreign-policy issues, such as belonging to the North Atlantic Treaty Organization or keeping the U.S. bases in Greece, the EC provokes no gut-level response in the average Greek voter in the big cities, where close to half the population is concentrated. A Greek pullout from the EC would leave no memory other than higher prices.

In the countryside, where farmers have become adept in calculating in ECUs, the influence of the Socialists is probably strong enough to swing the vote against the EC. Mr. Papandreu is unlikely to pull Greece out of the community, but he could profitably fight other election campaigns on an anti-EC platform.

— ANDRIANA IERODIACONOU

Peripato Stroll: Vitally Greek, but It Changes in Each Locale

By Joan Gage

VISITORS to Greece who find themselves in a small town, village or on an island on a fine afternoon as the sun drops toward the horizon are likely to encounter a puzzling sight that can tell them more about Greeks than any guidebook.

At about 6:30 P.M., as if by appointment, the entire populace will emerge from their doors, dressed in their Sunday best, fresh from the afternoon siesta, and head toward the *peripato* — the harbor-side or lakeside. If the town has no waterfront, they will congregate in the large central square.

It is the hour of the *peripato*, the evening stroll — a custom that has played a vital part in Greek life for centuries. For the *peripato* is more than an opportunity to enjoy the sunset while taking some fresh air. It plays a critical role in matchmaking, business dealing and socializing. And it provides an unusual opportunity for a stranger, ignorant of the language and customs, to witness the entire spectrum of Greek life while sitting at an out-

door cafe, sipping an ouzo and watching the passing parade.

A stretch of the harbor-side or the main street is closed to traffic for the *peripato*, allowing families to stroll in a slow counter-clockwise procession, up the harbor and back again, pausing now and then for refreshment at a cafe or a chat with a friend.

Until recently the paterfamilias would walk a few steps ahead of his family, his oldest son close by, then the wife and the rest of the children, in order of diminishing importance. Babies are proudly wheeled in the finest carriage the family can afford, while passers-by stop to admire the newest addition to the family.

Western mores have loosened the traditional code that dictated that a young girl remain under her father's watchful eye until the local matchmakers formalized an engagement after much negotiating between the bride and groom's families. But still, in many parts of Greece, the *peripato* provides the best opportunity for eligible men and women to look each other over from a safe distance, buttressed by

the presence of friends. It is fun to watch the knots of young men, greeting the girls with great bravado, making what they hope are witty comments while the girls giggle and the fathers glare.

The advent of television has made inroads into the *peripato*, but in outlying areas the custom still serves as the cement that holds society together. Everyone is looking his or her best, refreshed by several hours' sleep and ready to start the second round of the day, which will culminate in a dinner beginning at 10 o'clock and stretching into the morning hours. The strollers greet everyone they know, no matter how often they have seen each other that day. Figures of importance — the mayor, doctor or schoolteacher — are expected to speak first, befitting their status.

A perceptive observer can learn the entire repertoire of Greek hand gestures, which permit the strollers to converse across an open space without exchanging a word: "How's it going?" "Not so good. I'm broke." "Look at that beauty over there! What legs! What a bo-

some!" "Watch out for her, she's trouble!" "I'm starved! Let's meet later for dinner." It can all be conveyed with the hands, which often must be quicker than the eye, if the eye belongs to father and the hands to a young couple signaling a secret rendezvous for later in the evening. One man comes up to another, grabs him by the elbow and steers him to the side of the passing parade. Business is being conducted; favors are being asked. The *peripato* is the ideal time to approach influential people for a favor just as petitioners used to thrust written requests into the hands of passing Roman dignitaries on their way to the Senate.

The *peripato* has changed little over the decades. The black-clad grandmothers watch from their balconies, clicking their tongues over the behavior of the young people below. A local dandy stops for a shoeshine so that everyone can admire his finery. Children beg for a treat — pistachio nuts sold by weight, a rainbow of sweet syrups poured over the cups of crushed ice, the white, chewy loukoumi (Turkish delight).

Shopkeepers, who open their stores to take advantage of the *peripato*, invite the pedestrians inside to admire their wares and sip a cup of Greek coffee. On Chios and many other islands, walkers pause to buy a bag of deep fried, donut-like loukoumades, dipped from bubbling fat, drizzled with a cinnamon-honey syrup and eaten still warm. The setting sun turns the harbor into a sheet of beaten copper, and fishermen sit on the docks mending their nets as strollers make their plans for the evening.

The waterfront at Nafplia in the Peloponnese is one of the most beautiful settings for the *peripato*. In the still harbor, the ancient hulk of a former prison floats on a huge rock in the water. Towering high above the medieval town that climbs the slope from the waterfront is the Venetian fortress of the Palamidi, an image from a fairy tale, accessible until recent times only by the 999 steps carved into the face of the cliff.

Ioannina, the capital of Epirus in northwestern Greece, is landlocked but lies on the edge of a large lake, where the notorious Ali Pasha of Ioannina once drowned concubines who displeased him and where outdoor restaurants now serve the local delicacies of freshwater fish, cels, crayfish and frogs' legs. The *peripato* begins in the town center in front of the demarchio (town hall) and stretches down to the lakeside, past the old walled Turkish city with its minarets. In summer at the far end of the *paralizi*, an amusement park complex with a ferris wheel that sparkles with lights is often set up. While parents sit under the trees, their children can watch the antics of the

Karaghiozis shadow puppets, an ancient Eastern art form that is to the Greeks what Punch and Judy shows are to the British.

Although Ioannina is the largest city in northwestern Greece, Western visitors are not a common sight, and the city retains an Old World quality, with kerchiefed village women arriving daily to sell produce at the large street market. The first time I encountered the *peripato* in Ioannina, I was reminded that some parts of Greece haven't yet become inured to Western ways. It was a hot summer day, and my husband and I and another couple had just arrived from a tourist spot on the sea where we women bought the long, diaphanous gauze caftans that were then in fashion.

While our husbands went off on some errand, my friend and I, dressed in our new purchases, set out on foot toward the center to town. We had hardly reached the central square when we realized that we were literally stopping traffic as the crowd that had assembled for the *peripato* stared in amazement at our immodest dress. Amid the shouts, jeers, catcalls and honking of horns, we scurried back to our hotel and quickly changed into something more suitable.

I could not help reflecting on the contrast between Ioannina and the white sands of Rhodes where old women draped in black from head to toe circulate on nudist beaches among the sunbathing visitors, hawking their needlework and never turning a hair at the sight of so many naked bodies laid out like sausages on a grill.

With the arrival of television, discos and video arcades, the *peripato* has disappeared from cities

'Parallel' Economy: Indications Of Hidden Wealth Highly Visible

ATHENS — Official figures tell a story of weak economic performance in Greece. Yet the streets of Athens and its chic suburbs are filled with imported fashions and expensive cars despite high import duties — the government collects up to 150 percent of a car's initial cost upon importation.

The standard of living in Greece has improved beyond recognition over the last two decades. And at times of economic stress, the resourcefulness of the Greeks surfaces. Economists in Athens agree that a totally "parallel" or "black" economy, one that escapes official records, has developed over the last three years. No one can pinpoint its size, but it could amount to 11 percent or more of the country's gross domestic product. The system is not necessarily illegal or underground; it is overt, oriented to free enterprise and undeclared.

Most working Greeks have more than one job but often declare only one. Houses are built "on the side" by construction workers outside regular hours. Clothes are manufactured and sold, cars repaired, ships and boats painted, all in the parallel economy.

Any strong currency is welcome and the U.S. dollar often dominates. In the seaside Athens suburb of Glyfada, the dollar circulates as freely and commonly as the drachma. The authorities cast an "understanding" eye on all this, as long as no serious unlawful activity occurs. In fact, the government recently authorized hotel staffs to change foreign currencies for visitors, a step that skirts rigid exchange controls.

Greeks, bankers agree, possess much more currency than they declare. Receipts from parallel activity are generally hoarded because of the average citizen's reluctance to take his foreign currency to the mostly state-run banks.

An attempt last summer to flush out the hoarded cash produced meager results: The banks allowed everyone to deposit their foreign exchange without jeopardy, but only a few dozen million dollars surfaced. "The money eventually shows up one way or another," a banker said. "This explains the fashionable clothes, the long outdoor Sunday luncheons, the new cars and the private boats."

— GERARD CASTORIADIS

like Athens and Salonika, but in small towns and villages it continues. One can only hope that it will survive the inroads of the 20th century, for it provides the Greek people with something we have long since lost. It serves all the functions of social interaction that we now try to re-create at home with singles bars, happy hours and computer dating. It gives proof of one's place in the family and the community, an opportunity to see one's friends every night, a safe method of choosing a prospective spouse. And, as the elderly sit and watch, the young people flirt and the babies are introduced to the community of life from one generation to another.



Outdoor socializing is important to the Greeks.



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GREECE

The Opposition: A Problem of Hubris?

By Kerin Hope

ATHENS — Ancient Greek leaders, according to Herodotus, tried hard to avoid hubris, the cardinal sin of arrogance that would spur jealous gods to topple them in punishment.

Analysts here sometimes quote the father of history to explain the plight of the New Democracy Party, which is still in disarray more than two years after its defeat by Andreas Papandreu's Panhellenic Socialist Movement. New Democracy, the current incarnation of the conservative groupings that ran parliamentary democracy in Greece almost without interruption from 1951 until 1981, appears to be going through a prolonged identity crisis, the analysts said.

Supporters agree on the need to reverse the party's image of aging rightists fatally prone to corruption and cronyism, but so far they have failed to come up with a convincing strategy for doing so. Although some of the 112 New Democracy deputies in the 300-member parliament appear to believe a change of party leader is the only requirement for recovering lost credibility, an increasingly influential group is convinced the party must construct a solid ideological base in order to challenge the government effectively.

"Political parties in Greece have always been personal conglomerates, led by a personality who aspired to be a father figure for the nation," John Paleocrassas, a for-

mer economic coordination minister, said. "Ideology never mattered much in the past."

Preliminary skirmishing over the party leadership began about a year ago when New Democracy's chairman, Evangelos Averoff, was undergoing heart-bypass surgery in London. Since then, no promising candidate has emerged, and Mr. Averoff, a 74-year-old former defense minister, has made a strong recovery. Meanwhile, New Democracy's position has been weakened, supporters said, by rival factions that have leaked information to newspapers about internal disputes.

"Reading about former cabinet ministers' conspiracies in the newspapers is entertaining, but it does make us look ridiculous," a disgruntled New Democracy backbencher said.

Analysts said that New Democracy's problems started in 1980, when Constantine Caramanlis, who founded the party after the restoration of democracy in 1974, resigned as prime minister to become president. Mr. Averoff lost the prime minister's job at that time to George Rallis, regarded as head of New Democracy's more liberal wing. But he took over as opposition leader after Mr. Rallis was blamed for the 1981 election defeat.

Under Mr. Caramanlis, who brought Greece into the European Community, New Democracy stood for strong ties with the North

Atlantic Treaty Organization and the West, "good-neighborly" relations with Eastern-bloc countries and close commercial links with the Arab world. But its domestic policies were less well-defined.

Generous wage increases gave way to austerity programs, social reform proved slow, and New Democracy became increasingly associated with *roufen* — the practice of handing out jobs and contracts through political patronage, which the Socialists are finding hard to eradicate.

"At the party congress in 1979, we did adopt something called radical liberalism. Unfortunately, not many people had a clear idea of what it meant," said Andreas Andrianopoulos, a former culture minister who now seeks a broadly liberal party program for New Democracy.

Some party members say a return to power can be achieved through sustained attacks on the slow progress of the Socialists in achieving reform, combined with a "grab bag" of policies that can change to suit the political climate.

"That's a return to the past," Mr. Andrianopoulos said. "We don't stand a chance of governing again in the foreseeable future unless we have a clear-cut platform based on principle."

New Democracy's traditional power base was in the countryside and islands, where party middlemen linked constituents with deputies in Athens. The Socialists' strong showing in rural areas, the result of efficient grass-roots and youth organization, shocked the conservatives, who are now trying to catch up.

"We have tripled the number of local New Democracy offices

around the country, coordinated speech-making in the countryside and transformed our youth movement," said Antonis Samaras, a deputy from Messinia in the southern Peloponnese.

But the New Democracy youth movement has incurred criticism in recent months for its militancy and alleged connections with the party's extreme rightists. As two years of wear and tear in power and continuing recession begin to affect the Socialists' popularity, conservatives are taking heart from recent trade union and student organization elections, where New Democracy has made considerable gains.

The party is gearing up for June's elections for the European Parliament, with some deputies predicting a general election at the same time. But even the most optimistic New Democracy members admit there is little prospect of ousting Mr. Papandreu soon.

"With an election campaign ahead, party unity seems guaranteed for the next six months. What happens then will determine how long it takes for New Democracy to get back into government," said John Loverdos, a member of a conservative research organization.

In the past, a party leader's defeat or retirement would herald the break-up of a Greek political grouping. New Democracy has already survived two recent changes of leadership, which analysts interpret as a sign of health.

Runners persist that a new center party may be formed, drawing on dissatisfied voters from both the Socialists and New Democracy. But the consensus among New Democracy deputies appears to be that this would only delay further their return to power.



A band performs in an Athens night club.

Rebetika Music: Returning to Sources

ATHENS — Rebetika, the harsh but haunting music of the Greek underworld that is sometimes compared to American blues, is enjoying a revival in Athens.

Dozens of small *kefira*, which serve moderately priced food and wine and feature a *kampania* of rebetika musicians, have sprung up around the city in the last two years. They bear little resemblance to the expensive nightclubs where tourists looking for Greek music are usually directed.

Scratchy recordings by pre-World War II singers and instrumentalists are being reissued, and authentic rebetika is now carefully distinguished from *laika*, Greek popular music with an urban tradition.

The renewed popularity of rebetika, which first flourished in hashish-smoking dens along the Piraeus waterfront in the 1920s, seems due to young Greeks who reject West-

ern musical imports and say Greek music has lost its sense of direction.

"We had to go back to the past to find something that's truly Greek, but it doesn't mean enshrining old styles," said Alecos Zoukas, a musician who plays in a rebetika group.

Rebetika is played on the bou-

zouki, a long-necked stringed instrument similar to a lute, and the baglama, its miniature version. The songs are about poverty and unhappiness, drugs, the margins of Greek society at a time of upheav-

ing at the Pigi Tou Rebetikon, the best known of the new rebetika centers.

In traditional style, Mrs. Georgacopoulos sits seated next to the lead bouzouki player in a line of instrumentalists who stare impassively at the audience as they play. The lively, insistent rhythms of the music contrast oddly with often despairing lyrics.

The best loved rebetika singers have deep raspy voices, made hoarse by tobacco and alcohol. They are listened to in respectful silence.

Rebetika dancing should be an introspective performance by members of the audience who take turns to circle with outstretched arms, fingers snapping and eyes intent on the floor, occasionally leaping and twisting.

"These days, even though it's so popular, people can't perform rebetika properly," Mrs. Georgacopoulos said, echoing the complaints of many old-time musicians. "I was so upset by what I saw I felt obliged to come back and show them how it should be done."

Banned periodically, it remained outsiders' music. Rebetas, as the performers were called, were

frowned on for their disreputable life-style, filled with casual violence.

"We were singing about poverty and about our own problems. We used to feed the pain in every song, and strain to get it across," said Ioanna Georgacopoulos, who came out of retirement this year to

the shabby Exarcheia district of Athens, a group of students plays to a young crowd in a decayed neoclassical mansion. There is no dance floor, the audience drinks draft beer and the musicians admit to speeding up the traditional rhythms "to stop people getting bored."

"We can't recreate the past. But we're singing about feelings that are the same," said Eleni Spatharakis, the group's vocalist.

Two of the most famous rebetika musicians — Vassilis Tsitsanis, a bouzouki player once called the Bach of Greece, and Sotiria Bellou, a deep-voiced singer — have been performing together for a quarter of a century.

"I don't think the rebetika revival is producing any new songs like the ones I used to write. The old masters aren't being matched," Mr. Tsitsanis said.

Renewed interest in the rebetes and their music has spawned a popular Greek television series and a prize-winning film that will represent Greece at the Berlin Film Festival next year. Directed by Kostas Ferris, it narrates the life of a rebetika singer through the inter-war years to the brief rebetika "golden age" of the early 1950s.

"Rebetika goes very deep in people's lives. It's no surprise to me that I'm playing with a *kampania* half my age," said Dimitrios Spatharakis, who has played the baglama for almost 40 years.

Some rebetika centers in Athens are:

• Pigi Tou Rebetikon, Agia Glykeria 11, Galatsi. Telephone: 292-1820.

• Taximia, Isavron 29, Exarcheia. Telephone: 363-9919.

• Quasimodo, Tsakalof 13, Kolonaki. Telephone: 361-8339.

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— KERIN HOPE



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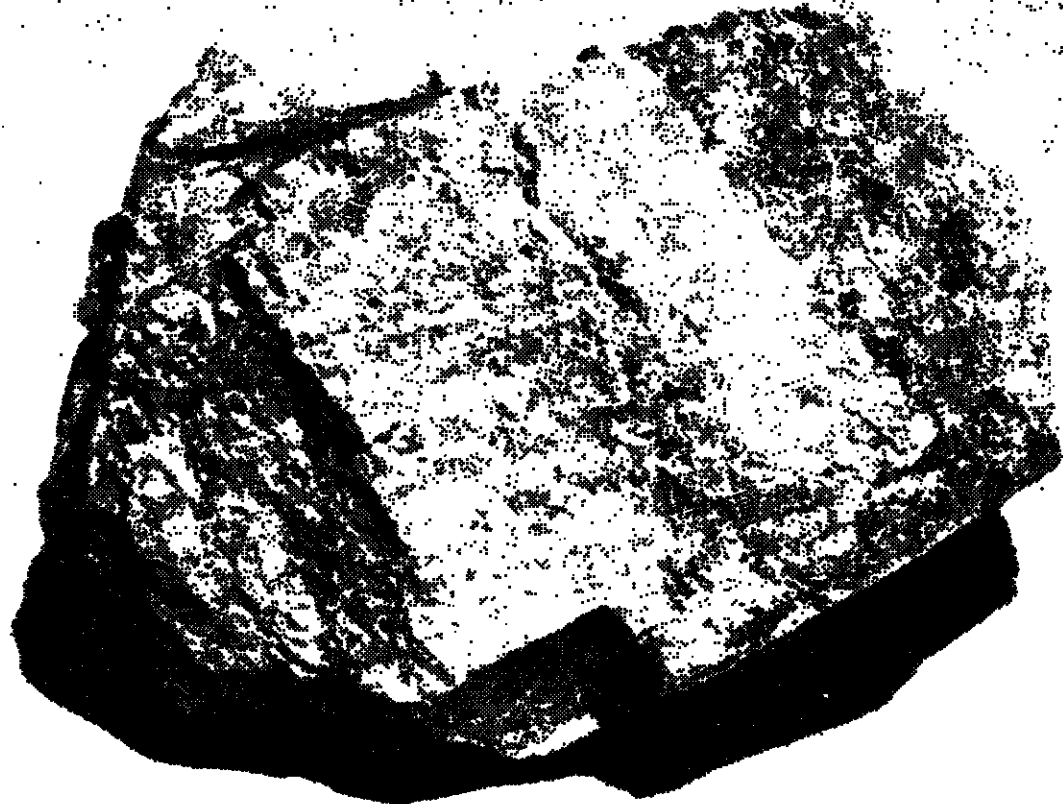
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SCIENCE

An End to Most Tooth Decay Predicted

By Richard D. Lyons
New York Times Service

NEW YORK — U.S. public health officials are predicting the virtual end of tooth decay among children and young adults by the middle of the century because of new developments in dental technology, the wider application of fluoride and the use of sealants.

This year alone, half-dozen advances have been reported in dental research, ranging from the identification of the gene that produces tooth enamel (and thus the potential for cloning it by genetic engineering) to the use of lasers in an experimental method of reconstructing the mineral structure of decaying teeth.

Coupled with the wider use of topical fluorides and sealants, the new technology should virtually halt tooth decay for people under the age of 50 within the foreseeable future, the officials say.

"There has been a revolution in dental research, dental technology and dental treatment, which has yielded results over the last decade that are nothing less than remarkable," said Dr. Harold Loe, director of the National Institute of Dental Research in Bethesda, Maryland.

"For the first time in the history of man," Dr. Loe said, "we are seeing a decrease in tooth decay."

He added that by the end of the century he believed that the loss of teeth "would be rare."

Fluoridation was started as a research project in Michigan in 1945. It has led to an enormous decrease in the development of dental caries, or tooth decay, in young people.

The fluoridation was accompanied by research that developed other types of dental protection, such as plastic coatings for teeth.

According to a federal survey, more than one-third of Americans under the age of 17 have no tooth decay at all today, and in the last decade tooth decay in those under 17 has been halved.

"This is a spectacular achievement," Dr. Loe said. He noted that "improved dental health is saving Americans more than \$2 billion a year in dental bills compared with a decade ago."

Among reasons for the improvement in dental health, he said, were increased federal investment in public health, greater parental responsibility, and school prevention programs by doctors and such specialized groups as the American Dental Association.

Dr. Albert Lee Russell, a dental researcher at the University of Michigan, has studied the effects of fluoridation in Grand Rapids, Michigan, the first U.S. city to deliberately fluoridate its water. He estimates that tooth decay among young people there has been reduced by 80 percent.

"The beneficial effects diminish with age," Dr. Russell said, "yet there continues to be a decrease of from 50 to 65 percent in the development of caries in older people."

Dr. Loe cautioned that the treatment of periodontal disease, or gum infections, among the middle-aged and elderly remained a serious problem that had not been adequately researched, much less treated.

Bacterial infections in the mouth lead to gum diseases that in turn lead to the decay of the exposed roots of the teeth, which lack the protection of enamel, Dr. Loe said, however, that the dental institute was beginning to turn its research efforts to the problems of older Americans, and he predicted that these too would be successfully dealt with eventually.

Other notable innovations include cloning enamel genes. Researchers at two universities reported this month that they had identified the gene responsible for the production of tooth enamel.

"If our work proceeds as planned," said Dr. Harold C. Slavkin, a professor of biochemistry at the University of Southern California School of Dentistry, "dentists of the near future will be filling cavities, and perhaps refilling old cavities, with a paste that quickly hardens into enamel that is virtually indistinguishable from the enamel of the tooth."

In explaining his and Dr. Slavkin's joint research, Malcolm I. Sneed of Baylor University said that, through the use of genetic engineering techniques that "command" bacteria to build specific substances, "we've taken the initial step toward identifying genetic material that would cause yeast cells to manufacture the protein molecules for dental enamel."

The two researchers predicted that, when the process was perfected, perhaps in as little as five years, altered yeast cells would be implanted in cavities, where they would grow and produce crystals that would be more attractive and last longer than the metal and porcelain now used in fillings.

Dental plastics. The dental research institute was a pioneer in research that is bringing to the dentist's office other superior restorative materials for fillings.

Dentists who have used these newer plastics, called light-cured resins, say they adhere to the tooth more securely than other materials. They are also better looking; more comfortable, making the tooth less sensitive to heat and cold; and easier to use.

Dental sealants. Research at the institute, where these transparent coatings made of synthetic resins were developed, has found that their use on the pits and fissures of the grinding surfaces of molars can substantially reduce tooth decay on the chewing surfaces, which is sometimes not completely prevented by fluoridation.

The development of sealants started in the 1960s. It was initially hampered by the softness of the plastics. Sealants now used in clinical trials, however, can last five years or more. Earlier this month, an advisory panel on children's dental health at the institute recommended sealants for the teeth of most children. No recommendations have been made for use of sealants by adults, since patterns of tooth decay are set by the time a person is 17.

Applying sealants and fluoridating water are two techniques that complement each other, said Dr. James Bawden, a professor of dentistry at the University of North Carolina and chairman of the advisory panel.

Topical fluorides. The application of fluorides to the surfaces of teeth so that the fluoride ions are incorporated into the surface enamel toughens it against the attack of bacteria. The applications are made by dentists or dental assistants, and are typically used in decay prevention programs in

schools and public health clinics, especially in areas of the country without fluoridated water.

Several research studies have shown that the surface application of fluorides can reduce tooth decay by 30 percent to 40 percent, while the American Dental Association estimates that the procedure has become so useful and popular that more than three-quarters of the nation's dentists now offer it.

Experimental techniques. These include iontophoresis and the use of lasers to recrystallize the minerals in enamel. Iontophoresis uses weak electric current to push a negatively charged fluoride ion through positively charged tooth enamel into the dentine below.

Dr. Loe said the experimental laser research was seeking to determine whether such a beam could rearrange the molecular structure of decayed areas of a tooth, thereby restoring their hardness.

Other dental experts have emphasized that the increasingly widespread use of toothpastes and mouthwashes containing small amounts of fluoride had also helped reduce tooth decay, though the value of mouthwashes was less than clear.

In addition, more than 125 million Americans, more than half the population, now have fluoridated municipal water supplies, and that number continues to grow.

"The advances in dentistry lately have been phenomenal," said Dr. Donald E. Bentley, president of the American Dental Association. "It may seem idealistic, but in the future teeth will only be lost through periodontal disease and by accident, not through decay."

Advances in Dental Methods

1. A weak electric current has been used experimentally to push fluoride ions deep into tooth's soft dentine.

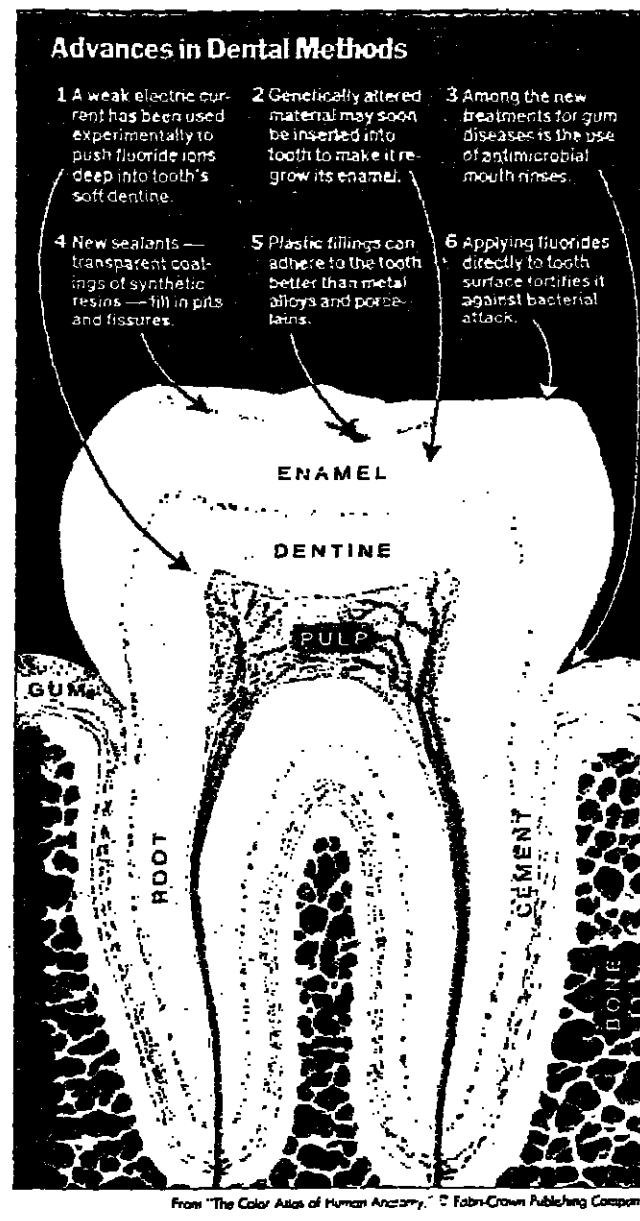
2. Genetically altered material may soon be inserted into tooth to make it regrow its enamel.

3. Among the latest treatments for gum disease is the use of antimicrobial mouth rinses.

4. New sealants — transparent coatings of synthetic resins — fill in pits and fissures.

5. Plastic fillings can adhere to the tooth better than metal alloys and porcelain.

6. Applying fluorides directly to tooth surfaces fortifies it against bacterial attack.



From "The Color Atlas of Human Anatomy," © F. and J. T. Roth Publishing Company

Currents

U.S. Builds Largest Radio Telescope

WASHINGTON (Reuters) — The United States is building the world's largest radio telescope, according to the National Science Foundation. The foundation awarded the California Institute of Technology \$3.9 million to build the 24-foot (10.3-meter) telescope on Mauna Kea, an extinct Hawaiian volcano. It should be in use by early 1986.

The telescope, designed to collect radio waves too short to be measured by any existing telescope, should provide new information on the birth of stars and on the structure and energy source of the nuclei of galaxies, the foundation said.

The dish-shaped antenna and its mount have been built, and a dome to shield the telescope from bad weather is under construction in California.

AMA Opposes Choke, Sleeper Holds

LOS ANGELES (UPI) — Calling the use of choke holds "deadly force with potential to kill," the American Medical Association says it opposes their use to subdue prisoners and the mentally ill.

Choke and sleeper holds are "inappropriate methods of behavioral control for mentally ill patients — and the incarcerated population has an increasing number of mentally ill inmates," the AMA said in a resolution adopted by its House of Delegates, the policy-making body of the 250,000-member organization.

The resolution said the use of such holds "will always raise the imminent possibility of residual behavioral problems and brain dysfunction." Choke holds, most commonly applied against the carotid artery to cause temporary unconsciousness, have been blamed as the cause of many prisoner deaths.

Bacteria Used to Combat Black Flies

ALBANY, New York (UPI) — Scientists are using bacteria to battle black flies, the bane of campers and wilderness lovers in North American mountains and forests.

A variety of *Bacillus thuringiensis* kills only black fly larvae and a type of tiny insect known as filter-feeding midges. The bacteria then dissipate, the New York State Biological Survey says. The bacteria can be applied to streams where black flies breed and grow.

A study showed that the bacteria reduced the black-fly population of an area in the Adirondacks by 90 percent during the summer, the scientists said. The environment apparently suffered no harmful effects, but will be studied for the next three years.

Eradication of Mumps Called Likely

ATLANTA (UPI) — The childhood disease of mumps appears to be heading in the same direction as measles — virtual eradication in many regions of the United States, even though there has been no special national effort to eliminate mumps, as there was in the case of measles, federal health officials say.

"Clearly, with increasing doses of mumps vaccine being distributed over the years, as more and more people get vaccinated against mumps, we could expect a further decline in mumps," said Dr. Stephen Preblud, a medical epidemiologist at the national Centers for Disease Control.

The number of mumps cases reported to the CDC dropped to 3,043 through the first week of December, from 5,077 cases for the corresponding period of 1982 — a decrease of 40 percent. In 1968, when reporting to the CDC began, there were 152,209 cases.

Ocean of Ethane on Titan Theorized

NEW YORK (NYT) — Scientists have theorized that Titan, Saturn's largest moon, is dry as a desert, or inundated by an ocean of methane. A new analysis of data from the Voyager-1 spacecraft, which flew by the haze-enveloped Titan in 1980, now suggests that Titan is covered with a muddy-brown ocean of a hydrocarbon, ethane, fed by a continual mist of ethane rain and acetylene snow.

The model, reported this month in the journal *Science*, was constructed by three scientists at the California Institute of Technology, Jonathan I. Lunine, David J. Stevenson and Yuk L. Yung.

They suggest that Titan once had a methane ocean, but that the methane evaporated, reached the upper atmosphere and reacted with sunlight to form ethane and acetylene.

On the Trail of the Elusive Neutrino in Lake Baikal

By Dusko Doder
Washington Post Service

MOSCOW — The Soviet Academy of Sciences has started work on placing a huge telescope-like device at the bottom of Lake Baikal in Siberia in an effort to prove the existence of cosmic particles believed to be the key to an understanding of the nature of matter.

The assumption that massless elementary particles known as neutrinos exist is linked to the theory that the sun's energy comes from nuclear fusion. If the Russians manage to trap neutrinos, physicists' theories about the formation of the universe will rest on firmer ground, as will theoretical assumptions guiding physicists' efforts to create an inexhaustible source of energy with controlled nuclear fusion.

Western experts in Moscow described the choice of Lake Baikal as promising. It is the world's deepest lake — as much as 6,365 feet (1,944 meters).

According to an account in the Communist Party newspaper Pravda, this winter the "telescope" will be submerged through a hole in the ice to the lake's deepest area. The instrument is in fact a huge glass-covered chamber filled with liquid propane and bromine. A mixture hoped by Soviet scientists to be so heavy that it will create collisions with neutrinos, which are believed to pass through the Earth.

Pravda said some parts of the equipment were being tested in the lake and cables had been laid on its bed to link the telescope with a new research base on shore.

It is assumed that 3 percent of energy created during nuclear fusion on the sun's surface goes to the creation of neutrinos that then travel through the universe.

The neutrino is also believed to occur in neutron decays and in some high-energy reactions, according to Soviet scientific literature.

Although Pravda did not mention him, one of the leaders of the Lake Baikal project is believed to be the Italian physicist Bruno Pontecorvo, 70, who defected to the Soviet Union after World War II. Soviet literature mentions that his interest and research in neutrinos dates back almost 40 years.

Physicists in several Western countries have attempted on several occasions to confirm the existence of neutrinos ever since the British physicist James Chadwick postulated their existence in the 1930s. All such attempts, including one conducted earlier by the Russians in the Caucasus Mountains, failed to provide conclusive identification of the particle.

The Caucasus experiment involved a "telescope" placed under a huge mass of rock at the end of a 1150-foot-long (350-meter) tunnel in a mountain. Soviet experts were quoted as saying, however, that the mass of the mountain was not thick enough to trap the cosmic particles.

| NYSE Most Actives | | | | | |
|-------------------|-------|--------|--------|--------|-------|
| | Vol. | High | Low | Close | Chng |
| ATT wr | 45392 | 17 1/4 | 17 1/4 | 17 1/4 | - 1/4 |
| ATT Grry | 26728 | 17 1/4 | 16 3/4 | 16 3/4 | + 1/4 |
| AXES S | 14625 | 33 1/4 | 32 1/2 | 32 1/2 | - 1/4 |
| Shoof L.V. | 11492 | 31 1/2 | 29 1/2 | 31 1/2 | + 1/2 |
| W | 10728 | 10 1/4 | 10 1/4 | 10 1/4 | - 1/4 |
| LILCO | 9023 | 24 1/2 | 24 1/2 | 24 1/2 | - 1/4 |
| AMRICH | 8472 | 4 1/4 | 4 1/4 | 4 1/4 | + 1/4 |
| IBM | 7661 | 12 1/4 | 12 1/4 | 12 1/4 | - 1/4 |
| W | 7418 | 3 1/4 | 3 1/4 | 3 1/4 | + 1/4 |
| Peirce | 7182 | 12 1/4 | 11 1/2 | 11 1/2 | - 1/4 |
| US Steel | 6821 | 30 1/4 | 29 1/4 | 29 1/4 | + 1/4 |
| W | 6621 | 30 1/4 | 29 1/4 | 29 1/4 | + 1/4 |
| Disms | 4857 | 26 1/4 | 25 1/2 | 25 1/2 | + 1/4 |
| Artco's | 4198 | 17 | 16 | 16 1/2 | - 1/4 |

| Dow Jones Averages | | | | | |
|--------------------|---------|---------|---------|---------|--|
| | Open | High | Low | Close | |
| Indus | 1264.20 | 1268.90 | 1259.37 | 1263.77 | |
| Trans | 387.45 | 392.17 | 382.40 | 389.85 | |
| Util | 121.86 | 123.26 | 120.81 | 122.46 | |
| Comp | 361.45 | 364.43 | 357.26 | 361.86 | |

| NYSE Diaries | | Close |
|--------------|----|------------|
| Advanced | 76 | 76 |
| Declined | | 828 |
| Unchanged | | 465 |
| Total Issues | | 2665 |
| New Hires | | 32 |
| New Hires | | 41 |
| Volume up | | 36,030,450 |
| Volume down | | 36,971,140 |

| NYSE Index | | | |
|-------------|--------|-----|--|
| | High | Low | |
| Composite | 115.23 | 94 | |
| Industrials | 111.54 | 100 | |
| Transp. | 97.22 | 94 | |
| Utilities | 45.15 | 45 | |
| Finance | 65.94 | 93 | |

| Odd-Lot Trading | |
|-----------------|---------|
| | Buy |
| Dec. 27 | 145,936 |
| Dec. 28 | 164,216 |
| Dec. 29 | 211,124 |
| Dec. 21 | 187,146 |
| Dec. 28 | 185,518 |

*Included in the sales figures

| NYSE Diaries | | | | | | | | | |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Adv | Decl | Unch | Vol | High | Low | Open | Close | Chg | Vol |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |

| AMEX Diaries | | | | | | | | | |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Adv | Decl | Unch | Vol | High | Low | Open | Close | Chg | Vol |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |

| EX Diaries | |
|------------|-------|
| Close | Prev. |
| 272 | 261 |
| 324 | 314 |
| 240 | 244 |
| 634 | 619 |
| 9 | 8 |
| 16 | 16 |
| 2,524,710 | |
| 2,901,430 | |

| |
|-----------|
| Compos |
| Industr |
| Finance |
| Insurance |
| Utilities |
| Banks |
| Transp. |

| d & Poors Index | |
|-----------------|--------|
| High | Low |
| 187.90 | 184.54 |
| 30.99 | 30.57 |
| 56.77 | 55.92 |
| 18.20 | 17.95 |
| 166.26 | 163.44 |

| Change |
|--------|
| +0.85 |
| -1.14 |
| +0.09 |
| -0.26 |
| +1.58 |

| Down |
|-----------|
| Bonds |
| Utilities |
| Industr |

| NASDAQ Index | | | | |
|--------------|--------|-------|----------|----------|
| | Close | Chg% | Week Ago | Year Ago |
| | 226.57 | -0.11 | 225.63 | 233.77 |
| | 320.82 | -0.36 | 320.13 | 272.68 |
| | 274.16 | -0.09 | 274.60 | 207.09 |
| | 257.15 | +1.04 | 254.56 | 227.93 |
| | 267.58 | +0.06 | 266.97 | 272.61 |
| | 232.85 | +0.71 | 231.16 | 156.26 |
| | 279.95 | +0.22 | 277.84 | 145.00 |

| Bonds Bond Averages | |
|---------------------|-------|
| Close | Chg% |
| 69.52 | -0.16 |
| 66.06 | -0.57 |
| 73.00 | -1.18 |

| AMEX Most Actives | | | | | |
|-------------------|------|------|-------|-------|--|
| Vol. | High | Low | Close | Chng | |
| 2052 | 1694 | 1574 | 1646 | — 1/4 | |
| 1351 | 3022 | 296 | 304 | — 1/4 | |
| 1351 | 2434 | 744 | 744 | — 1/4 | |
| 1351 | 1765 | 1714 | 1774 | — 1/4 | |
| 1351 | 1732 | 25 | 3434 | — 3/4 | |
| 1351 | 1543 | 9 | 64 | — 1/4 | |
| 1351 | 1443 | 64 | 64 | — 1/4 | |
| 1351 | 1284 | 414 | 414 | — 1/4 | |
| 1351 | 911 | 14 | 14 | — 1/4 | |
| 1351 | 863 | 54 | 54 | — 3/4 | |

| AMEX Stock Index | | | |
|------------------|--------|--------|--------|
| High | Low | Close | Ch'ge |
| 220.57 | 220.10 | 220.53 | + 0.24 |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | MSFT | 10,000 | 100.00 | 99.00 | -1.00 |
| AMT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GO | 10,000 | 100.00 | 99.00 | -1.00 |
| DIS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | BA | 10,000 | 100.00 | 99.00 | -1.00 |
| W | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | GM | 10,000 | 100.00 | 99.00 | -1.00 |
| MRK | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | UNH | 10,000 | 100.00 | 99.00 | -1.00 |
| CVS | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | PG | 1 | | | |

| NYSE Most Actives | | | | | | | | | | |
|-------------------|--------|--------|-------|-------|-------|------|--------|--------|-------|-------|
| Vol. | High | Low | Open | Close | Chg. | Vol. | High | Low | Open | |
| ATT | 10,000 | 100.00 | 99.00 | 99.00 | -1.00 | IBM | 10,000 | 100.00 | 99.00 | -1.00 |
| GE | 10 | | | | | | | | | |

THURSDAY, DECEMBER 29, 1983

WALL STREET WATCH

By EDWARD ROHRBACH

Interest Rates Are Seen Key to 1984 As Schizophrenic Year Draws to Close

Investors who laughed all the way to the beach in the middle of last summer after the U.S. stock market's big first half should have stayed there the rest of the year — that's the story of 1983 on Wall Street.

Standard & Poor's 500-stock index roared ahead nearly 20 percent in the six months to July, but has staggered along since then at a small loss. Even that overlooks the carnage among smaller high-technology stocks and such other sectors as brokerage and hospital-management issues.

Masking the broader deterioration in the year's last half has been an improvement of blue chip stocks that dominate the Dow Jones industrial average.

"About the best you can say for it [1983] is that an agile investor probably has been able to stay about even," observed Fred Frankel, chief investment strategist at Prudential-Bache.

He pointed out that "no major theme emerges" when a list of stocks that have done the best and worst in the last six months is looked at. Technology and cyclical, for example, appear on both sides of the ledger.

Because of the interest-rate picture, Bache is not optimistic about the market in the near term, seeing a 10-15 percent downside risk until "unrealistic expectations are washed out of the market — which we think will be around the end of the first quarter of 1984," Mr. Frankel said.

Salomon Brothers believes that the divergent paths taken in the second half by so-called blue chip and secondary stocks have been caused by investors recognizing the U.S. economy's "high-risk operating environment, despite a stronger-than-expected recovery."

By the second quarter, it said, "companies whose earnings suggested that they did not yet have their act together were dealt with severely in the marketplace. In an effort to avoid earnings surprises in the future, investors began to focus toward quality companies."

It noted that from Jan. 1 to June 30, 1983, the S&P index of low-priced common stocks dramatically outperformed the index of high-grade issues. The low-priced stock index rose 54 percent and the high-grade one only 12 percent. But from July 1 to Dec. 15, the high-grade index pushed ahead 3 percent; the low-grade one dropped 6 percent.

But overall, noted Norman G. Fosback, editor of Market Logic, an investment advisory letter, "1983 has been a big year for the bulls."

He pointed out that the Dow has tacked on about 200 points, while New York Stock Exchange stocks have had an average total return of 33 percent, and Amex stocks one of 49 percent.

"Our economic models indicate the bull market remains intact, although 1984's prospective gains will be far more modest," he added.

"This has really been a year split in two," Mr. Fosback observed. "In the first half all major indices of stock prices recorded exceptionally strong advances, while in the second half those same indices have been in a holding pattern, digesting their earlier gains."

"In fact, 1983 has been a near mirror image of 1982, which was flat in the first half and robust in the second."

Gerald T. Rolfe, chairman of the investment-policy committee at Shearson/American Express, hedged his bets for the new year. He said that if predictions by Shearson's economists come true of a marked slowdown in economic growth in the first quarter along with a rate decline of more than 1 percentage point, the Dow average could reach into the 1,300s.

Retreat Called Possible

However, he added that if "consumption and borrowing trends remain more vigorous than expected, such expectations for an interest-rate rally would be frustrated, concerns over credit-market problems would build and the market could retreat to the low end of its second-half 1983 trading range."

Heinz Nipp, investment manager of the Bank in Liechtenstein, seemed more firmly optimistic. He said: "The lengthy consolidation of the last six months on Wall Street has built a solid base for a new upleg in the bull market."

A decline in rates would spark the advance, he said, noting that "just in the last three or four days, the environment on credit markets has improved." If this trend continues, rates could drop a full point in the first quarter, he said.

Mr. Nipp said he was encouraged by how the U.S. economic recovery has "slowed and broadened" recently. He said that this slowdown from the fast pace of the second and third quarters meant that "quality" is the place to be on Wall Street because "there could be disappointments among medium-sized companies, the ones that are not market leaders."

Big-capitalization favorites he mentioned are IBM, General Electric, Hewlett-Packard, R.R. Donnelley and Beanie Foods. Special situations he liked are these "overlooked" issues: ACCO World, Noritak and Monarch Capital.

"Though it's becoming more and more difficult to find them, our strategy is to build a portfolio around well-known quality stocks with better prospects than the overall market," Mr. Nipp explained. "Then we add some under-researched small companies that as they get recognized, should further enhance our performance."

International Herald Tribune

CURRENCY RATES

Interbank exchange rates for Dec. 28, excluding bank service charges

| | \$ | DM | £ | FF | Y | Sc | Sw | DK | N |
|-----------|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| Amsterdam | 2.0925 | 4.434 | 112.48 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |
| Berlin | 2.0925 | 4.434 | 112.48 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |
| Frankfurt | 2.0925 | 4.434 | 112.48 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |
| London | 1.425 | 3.445 | 122.09 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |
| Milan | 1.67180 | 3.59910 | 122.09 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |
| New York | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Paris | 6.493 | 12.376 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 | 1.0000 |
| Zurich | 2.0925 | 4.434 | 112.48 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |
| 1 ECU | 1.63637 | 3.59910 | 122.09 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |
| 1 ERM | 1.63637 | 3.59910 | 122.09 | 36.74 | 1.082 | 1.354 | 1.410 | 16.40 | 36.77 |

6 Starkey-12723 1/16 1/8

© Commercial Union (B) Amex/Amex needed to buy one round (1) Units of 100 (3) Units of 1,000
N.O.: not quoted. N.A.: not available

INTEREST RATES

| Eurocurrency Deposits | | | | Dec. 28 | | | |
|-----------------------|----------|------|----------|---------|----------|------|----------|
| Rate | Term | Rate | Term | Rate | Term | Rate | Term |
| 100 | 10 - 10% | 100 | 10 - 10% | 100 | 10 - 10% | 100 | 10 - 10% |
| 200 | 10 - 10% | 200 | 10 - 10% | 200 | 10 - 10% | 200 | 10 - 10% |
| 300 | 10 - 10% | 300 | 10 - 10% | 300 | 10 - 10% | 300 | 10 - 10% |
| 400 | 10 - 10% | 400 | 10 - 10% | 400 | 10 - 10% | 400 | 10 - 10% |
| 500 | 10 - 10% | 500 | 10 - 10% | 500 | 10 - 10% | 500 | 10 - 10% |
| 600 | 10 - 10% | 600 | 10 - 10% | 600 | 10 - 10% | 600 | 10 - 10% |
| 700 | 10 - 10% | 700 | 10 - 10% | 700 | 10 - 10% | 700 | 10 - 10% |
| 800 | 10 - 10% | 800 | 10 - 10% | 800 | 10 - 10% | 800 | 10 - 10% |
| 900 | 10 - 10% | 900 | 10 - 10% | 900 | 10 - 10% | 900 | 10 - 10% |
| 1000 | 10 - 10% | 1000 | 10 - 10% | 1000 | 10 - 10% | 1000 | 10 - 10% |

Key Money Rates
United States
Discount Rate
Federal Funds
Prime Rate
Broker's Loan Rate
Commercial Paper, 30-180 days
3-month Treasury Bill
6-month Treasury Bill
CD's 28-90 days
CD's 91-360 days

West Germany
Lombard Rate
Overnight Rate
One Month Interbank
Three Month Interbank
Six Month Interbank

Japan
Discount Rate
Call Money
Six-day Interbank

Source: Commercial Bank of Tokyo, Livestock Bank

Steel Plant Closings Add to Union Woes

By William Scrin
New York Times Service

NEW YORK — U.S. Steel Corp.'s decision to order substantial plant closings, eliminating an estimated 15,400 jobs, will mean grave economic difficulties for steelworkers and steel communities and is another in a long list of problems for the United Steelworkers of America.

David M. Roderick, company chairman, said money concerns forced its board of directors to act.

While the decisions "are difficult for the employees and communities involved, they were unavoidable in light of global economic and market conditions in steel," Mr. Roderick said Tuesday in Pittsburgh.

But the announcement, experts said, means a continuation of a profound decline in the industry.

Steelmaking areas like the Monongahela Valley in western Pennsylvania, southeast Chicago and northwest Indiana "already are in real trouble," said David Bensman, assistant professor of labor studies at Rutgers University, who is writing a book on the effects on southeast Chicago of the steel industry decline.

The areas are now "faced with the further loss of their economic vitality," he said.

Mr. Bensman said the southeast Chicago area, for example, has seen the closing of small businesses, the abandonment of neighborhoods. He said some steelworker families were older and homes were paid for, bringing some stability. But he said "those communities could become wastelands" unless the steel industry decline is reversed or "new economic schemes" are put forth.

The chance of either seems remote, he said.

Southeast Chicago is one of the areas affected by Tuesday's announcement, for U.S. Steel said it would not build a new mill at its South Works there and would curtail additional operations.

In the Pittsburgh area, Bob Anderson, director of the Steel Valley Unemployment Center, in Homestead, Pennsylvania, said tens of thousands of steelworkers were unemployed and many had exhausted benefits.

The announcement Tuesday means "more devastation, more loss of jobs," he said. The actions also mean more difficulties for the

(Continued on Page 13, Col. 5)



David M. Roderick announces the plant closings.

Pennzoil Offers to Buy 20% Stake in Getty Oil for \$1.6 Billion

The Associated Press

NEW YORK — The family feud at Getty Oil Co. took on a new look Wednesday when Pennzoil Co. made a \$1.6-billion offer for 20 percent of Getty's stock.

Pennzoil, an energy and mining company based in Houston, said its aim was to help restructure Getty, a Los Angeles-based company three times bigger than Pennzoil.

Wall Street analysts said it was impossible to know if Pennzoil would eventually seek to take over Getty or would precipitate a bidding war for the company. Pennzoil's chairman said he wanted only to increase Getty's market value.

Although Getty is viewed on Wall Street as vulnerable to a takeover drive, Pennzoil was not expected to bid for a company so much larger than itself.

Pennzoil is offering \$100 a share for up to 16 million of Getty's 79.1 million shares of common stock.

Under terms of the offer, Getty shareholders have until midnight Jan. 25 to submit their holdings for payment, and any shares tendered may be withdrawn until midnight Jan. 18.

Getty's stock soared \$19.625 to \$100 a share Wednesday in heavy trading on the New York Stock Exchange.

In a prepared statement describing its offer to Getty shareholders, Pennzoil said its aim was to participate "in a constructive way" in a "restructuring" of Getty.

J. Hugh Liedtke, the Pennzoil chairman and chief executive, said in a telephone interview that his company was seeking "a long-term position" in Getty and that Pennzoil wanted neither a bidding war nor a merger with Getty.

He declined to say exactly what Pennzoil had in mind as a restructuring plan for Getty, but said it would be broad — "like a shotgun shell that has many BBs in it."

Mr. Liedtke would not describe his objections to Getty's current operating strategy, although he alluded to Getty's recent inclination to stray outside the oil business.

Getty already is under fire from the beneficiaries of the J. Paul Getty fortune to change its course, which in recent years has taken it into many non-oil businesses.

Mr. Liedtke declined to say whether his company was siding with Gordon P. Getty and Harold Williams in their fight with Getty management. Mr. Liedtke stressed that he had not discussed the \$1.6-billion offer with any of the Getty parties and that Pennzoil was acting independently of them.

Gordon Getty, son of the late billionaire J. Paul Getty, is sole trustee of the Sarah C. Getty Trust, which controls 31.8 million shares, or 40.2 percent, of Getty's stock.

Mr. Williams is president of the J. Paul Getty Trust and the J. Paul Getty Museum, which together control 9.3 million shares, or 11.8 percent of the Getty stock.

Gordon Getty wants the company to focus more on its oil business, which he believes will improve Getty's financial performance, thus protecting the value of his trust.

Getty management had sought to have Gordon Getty replaced as trustee of the Sarah C. Getty Trust, but on Wednesday it announced that it had dropped that effort. Getty said it backed off to "facilitate the resolution of these disputes."

The company said the Pennzoil tender offer had nothing to do with its decision. It said it had notified Mr. Getty and Mr. Williams last Friday that it would withdraw.

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Tax Exemptions For Grace Stake Lost by Flick

By John Tagliabue
New York Times Service

BONN — The Economics Ministry said Wednesday it had revoked tax exemptions awarded the Flick industrial group in connection with its acquisition of shares in W.R. Grace & Co. of New York.

The move came as the impact of an investigation into government influence-peddling and political party financing widened.

A government spokesman, Peter Boenisch, said the exemptions, which were granted Flick in 1976 and 1978 in connection with the reinvestment in Grace of the bulk of \$690 million in capital gains from selling shares in the Daimler-Benz automobile company, were based on "incorrect circumstances."

Manfred Kiesewetter, a Flick spokesman in Düsseldorf, denied the charge. He said Flick would challenge the decision before an administrative court.

If upheld, the decision means that Flick would have to pay the equivalent of an estimated \$163 million in back taxes, in addition to possible interest payments. Tax experts estimate the entire bill could total as much as \$254 million.

The Economics Ministry said Flick had received tax exemptions under West German laws that seek favorable tax treatment to companies reinvesting capital-gains abroad in ways "beneficial to the national economy."

It said Flick contended that potential close links between its subsidiaries and units of Grace would help West Germany's energy industry.

But the ministry said its investigation, sparked by documents supplied by the Bonn prosecutor, brought to light "no significant cooperation in noteworthy areas or of noteworthy dimension."

The prospect of heavy back taxes has prompted the question whether Flick will be forced to sell its stake in Grace to raise needed cash. Mr. Kiesewetter denied Flick had any intention of selling.

The government tax decision is related to charges brought earlier this month by the federal prosecutor against Economics Minister Otto Lambsdorff and his predecessor, Hans-Friedrich, now chairman of the Dresdner Bank.

The prosecutor said that to obtain tax waivers on capital gains of \$690 million from the 1975 sale of a 29 percent interest in Daimler-Benz, Eberhard von Brauchitsch, Flick's former deputy chairman, paid Mr. Friedrichs \$140,740 in cash in 1975-77 and Mr. Lambsdorff \$50,000 in 1977 and 1980.

Mr. von Brauchitsch, who kept records of the payments, was indicted, as were Horst Ludwig Riemer, a former Free Democratic economics minister in the state of North Rhine-Westphalia, and Manfred Nemitz, another former Flick employee.

Talbot Strike Continues Despite Court's Ruling

PARIS — Several hundred strikers continued their walkout Wednesday against Peugeot's plan to transfer 2,900 workers to a new plant in France.

The Peugeot group said such a change in legal status could also be seen as preparing the way for selling off Talbot, which Peugeot bought from the Chrysler group in 1978. But they said that course was unlikely.

This transfer plan would not modify in any way the perpetuation of the brand name nor the status of personnel of Talbot. It is as a way of changing the management's responsibility to ensure the activity of the Peugeot production center continues normally, the spokesman said.

The crisis centers around the Peugeot plant, where Peugeot had wanted to lay off the 2,900 workers as part of an overall plan to trim 7,500 jobs from its various French factories.

Stocks Set High In W. Germany

FRANKFURT — A surge of optimism brought foreign investors back to the West German stock market Wednesday and pushed prices to record highs in hectic trading.

The Commerzbank index, measuring the performance of 60 leading industrial and financial stocks, rose 10.9 points to 1,044, 10 points higher than the record set last Thursday. The Frankfurt Allgemeine Zeitung index of 100 stocks rose to 351.71 to break the record of 349.33 set Thursday.

Prices jumped because "investors have seen positive signs for the West German economy in 1984 and because there is a growing belief that interest rates are coming down worldwide," one dealer said. He cited a forecast Tuesday by an economic institute that the economy will grow 3 percent in 1984.

Action Puts Pressure on British Steel

By Barnaby J. Feder
New York Times Service

LONDON — The decision by U.S. Steel Corp. and British Steel Corp. to end their talks on a joint venture will put the U.K. company under renewed pressure to close one of its three strip-steel mills, officials at British Steel say.

Union leaders, however, reject that interpretation, saying the end of the talks present an opportunity to discuss the possibility of imposing steel import controls that would permit British Steel to keep the strip plant open.

British Steel is currently operating its five integrated steel works at 60 percent of capacity and losing about \$3.55 million a week. It has projected losses for the year ending March 30 at more than \$255 million, compared with \$340 million last year. The strip mills are among its biggest money losers.

Robert Haslam, British Steel's chairman, refused Tuesday night to be pinned down on the future of any plant. But he said British Steel executives remained convinced

that a number of operations and "in the long haul," one strip mill would have to be closed.

But it is no longer clear that the strip plant that would be closed would be the one at Ravenscraig, near Glasgow, whose continued existence had been linked by British Steel with successful conclusion of the arrangement. The joint venture would have sent raw steel slabs from Ravenscraig to be finished at U.S. Steel's Fairless plant outside Philadelphia.

Under the terms reported to be under discussion, British Steel would have been called upon to invest \$800 million in the venture. The agreement reportedly would have meant the loss of 2,000 jobs in Ravenscraig finishing operations. The loss of jobs in an area where unemployment is already high gave the talks political importance beyond their economic aspects.

Ian MacGregor, a former chairman of British Steel who started the talks with U.S. Steel, met bitter opposition from workers and Scottish politicians when he said that, unless the accord was concluded, Ravenscraig would have to be closed completely. But cost-cutting

measures have now been taken at Ravenscraig and parts of the plant are closed during capital improvements at other plants.

British Steel has shed 150,000 workers in the last 10 years, cutting the work force to about 78,000. Further restructuring to permit it to break even in 1985 is to be discussed with the government next year.

"One has to be disappointed with the outcome of the negotiations" with U.S. Steel, Mr. Haslam said. The talks were already almost a year old when he took over from Mr. MacGregor in September. "The gap was formidable then, and it has tended to widen since," Mr. Haslam added.

According to Mr. Haslam and Robert Scholey, British Steel's chief executive officer, U.S. Steel had increased the amount it wanted British Steel to invest. British Steel was trying to reduce its original offer because it had calculated that prices against output plans for Ravenscraig had shifted to the point that return on the investment in the venture would be less than expected in the five-year plan.

BUSINESS BRIEFS

Judge Rules Bell Atlantic Can't Sell Telephones Against AT&T's Wishes

WASHINGTON (AP) — A soon-to-be independent telephone company cannot sell the government 200,000 telephones against the wishes of parent American Telephone & Telegraph Co., a federal judge ruled Wednesday.

Bell Atlantic Corp., one of the seven regional offshoots of AT&T that will stand on its own starting Sunday, must assign the sale contract to AT&T, U.S. District Judge Harold Greene said.

Bell Atlantic agreed with the General Services Administration Dec. 12 to sell the telephones and associated equipment for \$30 million. Of that sum, \$6 million was to be for a one-year service contract, which Bell Atlantic proposed to handle with employees who otherwise would have gone to AT&T.

2 Japan Car Firms to Lift U.S. Share

TOKYO (UPI) — Two Japanese automakers affiliated with General Motors Corp. will receive a sizable share in Japan's car exports to the United States next year, the Kyoto News Service reported Wednesday.

Quoting officials in the Ministry of International Trade and Industry, Kyodo said Isuzu Motors Ltd.'s share of exports to the United States will be increased to 46,000 units, from 16,800, while Suzuki Motor Co., which has no share at present, will be given 30,000 to 40,000 units.

GM owns 34.2 percent of Isuzu and 5 percent in Suzuki. The two Japanese companies have agreed to supply fuel-efficient subcompact cars for sales under the GM brand, starting next year.

The quota on Japanese automobile exports to the United States for 1984 has been increased to 1.85 million units, from 1.68 million. Japan's top three automakers, Toyota, Nissan and Honda, will be asked to keep their share unchanged or increased by 10,000 units each, Kyodo said.

Krupp Stahl, Klöckner to Unite Units

BOCHUM, West Germany (Reuters) — Krupp Stahl AG and Klöckner-Werke AG have agreed to merge their hammer-forging activities, Krupp said Wednesday.

The two steelmakers intend to establish an equally owned company called Schmiedewerke Krupp-Klöckner GmbH, based in Bochum and with an expected yearly volume of about 600 million Deutsche marks (\$218 million).

The merger, which is conditional on agreement from the Federal Cartel Office, follows the failure of federal government-sponsored efforts to make a merger between Krupp and Thyssen AG in the steel sector.

West German Cost of Living Rises

WIESBADEN, West Germany (Reuters) — The West German cost of living index rose a provisional 0.2 percent in the month to mid-December after a similar mid-November rise, the Federal Statistics Office said Wednesday.

On the basis of the figures from four of West Germany's 11 states, the country's average inflation rate during 1983 was 3 percent, the office said.

Chase Plans Home-Banking Service

NEW YORK (Reuters) — Chase Manhattan Corp. has agreed with Cox Cable Communications Inc. to cooperate in the development of electronic home-banking services via cable television, Chase said Wednesday.

The size of each company's investment in the project was not disclosed. Chase said under terms of the agreement, it will develop a program for participating institutions to offer customers conventional home-banking services such as bill payment and account reconciliation, brokerage services, other financial services and a number of personal money-management capabilities.

Ford U.K. Sees Sharp Sales Growth

LONDON (UPI) — Ford Motor Co. said Wednesday that it expects to sell more than 515,000 cars in Britain this year — 29 percent of the country's record market. Ford, which has led British sales of cars, trucks and tractors for six consecutive years, has never sold more than 500,000 cars in Britain in one year.

Over-the-Counter

Dec. 28

NASDAQ National Market Prices

Sales in 100s High Low 3m Chg

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U.S. Steel Towns and Union

Dec. 28

NASDAQ National Market Prices

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SPORTS

Victory by Cash Wins Davis Cup for Australia

By Der Staff Writer

MELBOURNE — Young Pat Cash, belting his smash and tenacious, registered a record-breaking victory over Johan Nystrom in the final of the 98th Davis Cup tennis competition.

Cash, at 18 the youngest singles player ever for Australia in a cup final, registered a 6-4, 6-3, 6-0, 6-1 victory over Nystrom in the final of the 98th Davis Cup tennis competition.

Wilder accounted for both of Sweden's victories, having won the competition's opening singles match.

Australia won the trophy for the 25th time — three short of the record 28 victories by the United States — and for the first time since 1977.

Cash played inspired tennis in front of his hometown crowd of 12,200. Nystrom, 20, a surprise selection for the final, was tentative throughout the 98-minute contest.

The Australian made two made-up for his loss to Nystrom in the semi-final of the New South Wales Open earlier in the month and re-asserted his faith in him by the team captain, Neale Fraser.

Cash obeyed Fraser's prematch plan to the letter. Said Fraser: "I hope Pat has learned that you play to win points, not go for winners all the time."

Full of aggressive confidence, Cash took the match to Nystrom from the start. By the third set, the Swede, now with a 0-3 Davis Cup record, was clearly a beaten player.

Cash consistently attacked Nystrom's second serve, racing to the net and putting away volleys after volleys. Nystrom passed Cash periodically with long drives down the sidelines, but Cash's unflinching net attack was the key.

Cash raced to a 4-1 lead after breaking Nystrom's opening service of the match, but Nystrom rallied to level at 4-4 with an ace. Cash held for 5-4 before breaking Nystrom for the set, which took 41 minutes.

Cash needed less than half an hour to win the second set. He broke in the second and sixth games with a sustained attack

against Nystrom's second serves. Nystrom continued to flounder on his volleys, registering only 7 winners from the net to Cash's 17.

Nystrom's serve continued to betray him in the third set. He dropped his first game with his sixth double-fault of the day. Cash went to 4-1 on another break before holding serve at love.

In the seventh game, the Swede pushed a forehand into the net for 15-40. On the next point, Nystrom moved to the net behind his serve and Cash put up a high lob. Nystrom mistimed his jump and, attempting a backhand, struck the ball with the edge of his racket.

The ball dropped into the Swede's court and the Davis Cup into Australia's. Nystrom had no excuses. "I was not nervous," he said. "Pat played better. But if we meet Australia in

the final next year, it certainly will not be on grass. It will be on snow or clay — preferably snow.

Wilder had put Sweden in front in the series by defeating Cash on Monday, 6-3, 4-6, 9-7, 6-3, but Fitzgerald won matters with a 6-4, 6-2, 4-6, 6-4 victory over Nystrom. The Australians moved to the brink of clinching Tuesday when Paul McNamee and Mark Edmondson defeated Anders Jarryd and Hans Simonsson in doubles, 6-4, 6-4, 6-2.

Cash and Fitzgerald are ranked 34th and 43rd worldwide, respectively. Cash had not previously appeared in cup play, and McNamee and Edmondson had never played together as a Davis Cup team. The Jarryd-Simonsson doubles tandem is ranked second in the world behind John McEnroe and Peter Fleming of the United States.

The upset victory was especially sweet to Fraser because no Australian player was ranked among the top 30 in the world. "That is a tremendous achievement," Fraser said.

It was indeed a moment to savor for the Australians, particularly Cash. "There was a lot of pressure on us and we came through," Cash said. "That is what is most satisfying."

"I was thrilled I did it, but it was more for the team than myself," he said. "I don't think I've ever felt under more pressure. I spent the whole night before losing and turning. It was a horrible night."

"It was the biggest match I've ever played in and I was playing for my country."



Pat Cash in winning form: "There was a lot of pressure on us and we came through."

Resurgent Rams Rekindling Spirit of '79

By Paul Atner

Washington Post Service

LOS ANGELES — It is 1979. The Los Angeles Rams barely make the National Football League playoffs with a 9-7 record. They are given little chance of surviving a December game in Dallas.

Instead, the Rams beat the Cowboys, then travel to Tampa, Fla., and dominate the Buccaneers in the NFC championship game, 27-10. Next is the Super Bowl, where they lose Pittsburgh to play superbly before the Steelers finally win, 31-16.

"I remember that year very well," says quarterback Vince Ferragamo, a first-year starter on that Rams team. "The recollection brings a pleasant smile."

Ferragamo is standing in front of his locker Monday in Dallas. It is now 1983 and the Rams once again are in the playoffs as a 9-7 long shot. Minutes before, they just finished stunning the pro football world with a 24-17 victory over the distressed Cowboys.

"This was a little different than the 1979 win, but it's just as nice

because no one thought we could win today, either," said Ferragamo. "Maybe this team can do what we did in 1979. Who knows?"

Once again, the players are wearing those 1979 smiles. As in 1979, this is a team of talent and experience. It also is a team of inconsistency and question marks. But on days when they can answer those questions successfully, as they did Monday with an error-free, physical performance, the Rams are a powerful force.

"We're capable of being competitive against anyone if we are on," said safety Johnny Johnson. "We haven't been playing that well as a total team lately, but what a time to put it together — with the Redskins next."

The Rams well recall the Redskins, their opponents Sunday in an NFC playoff game in Washington. These are not the Buccaneers. These are the defending Super Bowl champions who embarrassed the Rams, 42-20, earlier this season.

"We are aware of how good they are," said Coach John Robinson.

"We know the task ahead of us, but I think this team will be ready for it. We are just glad to have the chance to play them."

Someone tried to congratulate Robinson for the victory over Dallas. "Best game of the year, right?"

"It was a good one," Robinson said. "But let's wait until the season is over before we have any evaluations. Who knows what will happen? This team is a long way from being finished. It still has some football left in it."

Halfback Eric Dickerson remembers the Washington game. He gained only 37 yards, his lowest output of the season, a major reason his pursuit of 2,000 yards in 1983 stalled (he finished with 1,880).

"They really hit hard and played well," he said. "I never got a chance to get started. I really never thought anyone could shut down our running game like that."

The Rams are in an ideal position — nothing to lose, everything to gain from each playoff game. Hardly anyone gave them a chance to beat Dallas. Hardly anyone will give them a chance to beat Washington, either.

All the Rams want, said defensive end Jack Youngblood, is some respect. That's important to Youngblood, who earned respect by starting two playoff games in 1979 despite a broken leg.

"We want you to take us seriously," he said. "We know we are a good football team, but we evidently

have to convince everyone. We've got a lot of young guys on this team but I'd go to war with every one of them. This is a physical bunch."

But it was the Rams' passive attitude the past month that riled Robinson. Although the defense had been improving steadily, the team still was standing around too much and not fulfilling his plea to create havoc.

That all changed against Dallas. The Rams decided, as nose guard Greg Meisner put it, "to have 11 fist fights out there and hope our guy wins every one of them." Said Ferragamo: "I never heard that kind of hitting before from a Rams team."

"We know we have to be just as physical in the Redskins game," said receiver Preston Denmark. "You have to be able to hit with the Redskins because you know they are going to come after you."

Los Angeles has another motivating force. The Rams say they are playing these games for cornerback Kirk Collins, who has a malignant tumor in his throat. Collins has been attending team meetings but now has pneumonia and was in a Southern California hospital for the Dallas game.

The team dedicated Monday's game to Collins. Afterward, they gave Ferragamo and him game balls. "If it's all possible, we are going to take Kirk to Washington with us," said cornerback Leroy Irvin, his best friend.

Postcards — 1983

By George Vecsey

New York Times Service

NEW YORK — The writer Tom T. Hall once composed a song that said: "The things that keep us going are the good folks in the last hard town we meet." He was talking about country musicians like himself, but he could have been talking about the migrant workers in sports journalism, too.

A season of celebration is a good time to remember some of the good folks and the hard towns of the last year, and a few towns that weren't so hard.

● PASADENA, California, Jan. 30 — The best way to deal with the Super Bowl is to go out on the first bus, stash your gear, and walk around the stadium for exercise until the crowds get too thick. The game turns out to be exciting, a real bonus at Super Bowl. A colleague from our Los Angeles bureau is totally boggled by the glut of press releases, free food and other goodies given away by the National Football League.

● SYRACUSE, New York, March 27 — My father, who worked over a quarter of a century for The Associated Press, accompanies me to the North Carolina-Georgia regional basketball game. Late in the game, Dick Joyce, the AP reporter, asks for a little help in filling the box score, and my father revs into action. Then my father audits the postgame interviews for me. In the car on the way south in a wet snowstorm, he keeps Malcolm Moran and me awake by passing around bad punts and bags of candy. We decide we'll have to do it again next year.

● ROSCOE, New York, April 1 — Last night we heard outrageous fish stories at the annual Two-Headed Trout dinner at the Antrim Lodge, where pessimists insist the weather is always miserable and the yield is always poor on the opening day of the Catskills trout season. But this morning is sunny and the temperature is well above freezing — and more than a few people pull legal-sized trout from Junction Pool.

● WASHINGTON, April 10 — The sun broke out as a pack of world-class bicycle racers, strifed from Europe, sped along the Mount Vernon Memorial Parkway in the 285-mile Tour of America. Now we are roaring around the monuments in a pace car as two French bikers officials try to keep their Gallic reserve at their first glimpse of this stunning city at cherry blossom time.

● LOUISVILLE, Kentucky, May 7 — The Derby is run in a brutal storm from the west that reminds every Kentuckian of past tornadoes. After the race,

white shoes in hand, a woman in a white dress follows the track to the barns up to her thighs in mud.

● WIMBLEDON, England, June 29 — Get off the underground, buy a fresh sandwich and a Granny Smith apple for about 70 pence and stroll a mile along the suburban street to the tennis courts. Engulfed in the gracious bustle during one of England's balmy June, I realize this is one of the few sports events I would try to attend even if I were not working.

● NEWPORT, Rhode Island, Sept. 13 — Bright sun, smooth seas, gentle motorboat ride, light breeze: No America's Cup race today.

● NEWPORT, Sept. 14 — Gray skies, crashing seas, rocky boat ride, strong breezes: The race is on. After a few hours of friendly chatting with Australian journalists and sailors, I find myself rooting for the visitors. Better story and all that.

● CHICAGO, Oct. 6 — American Airlines has sent my luggage to Boston. I have left my wallet in a restaurant in Beverly Hills. The hotel has only a two-night reservation instead of four. It all works out, and the Baltimore Orioles will reward me with early victories in the playoffs and the World Series, getting me home ahead of schedule.

● PRAGUE, Nov. 2 — Visiting Czechoslovakia, we discover a European Cup soccer game between Sparta of Prague and Lokos of Poland. More than 60,000 people eat spicy sausages and drink beers and stand and cheer as the home team wins an aggressive, exciting game. Feeling the grime of life behind the Iron Curtain, we realize that cheering the home team for emotion in a captive nation.

● FRANKFURT, Nov. 11 — Tired from two weeks on the road, I await our charter flight home, watching U.S. football games on Armed Services television in our hotel room. The commercials are more interesting than the games, instructing U.S. military people about recreational benefits, Christmas mail rules, strict anti-smoking laws, leadership training courses, procedure in case of automobile accidents, free arts and crafts courses and how to handle sexual harassment by a superior officer.

● FORT WORTH, Texas, Dec. 11 — Long after the Cowboy-Redskins game in Irving, I drive to Fort Worth to interview Dr. Bobby Brown, the cardiologist who is becoming president of the American League. Sara Brown has supper waiting when I arrive — a very definition of "good folks in the last hard town we meet."



Coach John Robinson after Monday's victory over Dallas.

SPORTS BRIEFS

Soviet Hockey Team Nips Canada, 4-3

EDMONTON, Alberta (AP) — The Soviet Union scored three unanswered second-period goals and then held off Team Canada to open a 10-game hockey series with a 4-3 victory here Wednesday night.

Canada held 1-0 and 2-1 leads before the Soviet team, a blend of promising youngsters, aging veterans and a few former national team stars, broke loose in the middle period. The winners' Mikhail Varnakov had two goals and Victor Stukov and Victor Shalimov one each.

Gord Sherven scored twice for Canada and set up Dave Tippett's goal at 5:31 of the third period. Sherven, after being hauled down on a first-period breakaway by Sergei Gimaev, hit the goalpost on a penalty shot.

Decision in Sims Case Set for Jan. 25

DETROIT (AP) — A federal judge said Tuesday he would announce his decision Jan. 25 on whether running back Billy Sims will return to the National Football League Detroit Lions next fall or will play this spring with the Houston Gamblers of the United States Football League.

Sims signed a five-year, \$3.5 million contract with Houston on July 1 and a \$5 million contract with the Lions Dec. 16.

District Judge Robert E. Delmonico on Tuesday dismissed a bid by the Gamblers to throw out a Lion suit seeking to void Sims' contract with the USFL expansion club.

For the Record

Many Wilks, a longtime shortstop for the Los Angeles Dodgers, the National League's most valuable player of 1962 and a former manager of the Seattle Mariners, was arrested in Los Angeles early Wednesday in a stolen car, in which police said they found a small quantity of cocaine. Wilks was freed on \$1,500 bail and will appear in court on Jan. 16. (AP)

The United States Football League will conduct its annual player draft in New York Jan. 4 and 5. The league's 18 teams will draft from a pool totaling 122 players. (UPI)

Defensive end Ken Morrow of the Stanley Cup champion New York Islanders underwent arthroscopic surgery on his right knee Tuesday, said a spokesman for the National Hockey League team in Uniondale, New York. Morrow will be out of action indefinitely. (UPI)

NHL Standings

| WALDES CONFERENCE | | | | | | St. Louis | | 24 | | 145 | |
|---------------------|----|----|-----|----|-----|---|----|----|---|-----|-----|
| Peters Division | | | | | | Detroit | | 11 | | 29 | |
| W | L | T | Pts | GF | GA | Smythe Division | | | | | |
| Islanders | 24 | 18 | 2 | 50 | 120 | Edmonton | 26 | 7 | 4 | 56 | 229 |
| Philadelphia | 28 | 18 | 4 | 66 | 141 | Winnipeg | 15 | 18 | 3 | 33 | 125 |
| N.Y. Rangers | 17 | 23 | 2 | 34 | 142 | Calgary | 12 | 24 | 4 | 28 | 130 |
| Washington | 17 | 23 | 2 | 34 | 128 | Vancouver | 13 | 19 | 4 | 30 | 128 |
| Pittsburgh | 9 | 23 | 2 | 20 | 119 | Los Angeles | 12 | 18 | 4 | 30 | 124 |
| New Jersey | 7 | 27 | 2 | 16 | 102 | Tynes Division | | | | | |
| Adams Division | | | | | | Quebec, 7, Hartford, 11, Guelph 2 | | | | | |
| W | L | T | Pts | GF | GA | (24), and Kennerly 10, P. Slatney 11, John (8), Al. Skopier 13, Turgeon 17, Johnson 18, Beaulieu 16(1). | | | | | |
| Boston | 23 | 12 | 4 | 48 | 109 | Buffalo 7, Montreal 4 (Pierard 2), Peter- | | | | | |
| Buffalo | 21 | 13 | 4 | 46 | 128 | burg 15, Pittsburgh 17, Perreault 17, | | | | | |
| Ottawa | 20 | 14 | 3 | 43 | 142 | Ramirez 2 15, Peterson 3, Mandour 19, | | | | | |
| Montreal | 17 | 17 | 2 | 36 | 127 | Waller 11, MacLellan 13, Lofgren 15(1). | | | | | |
| Hartford | 13 | 19 | 3 | 29 | 125 | St. Louis 5, New Jersey 4, C. Carlson 4, Phoenix 6, Dallas 6, Cincinnati 5, St. Joe 10(1), MacGinnis 7, Ludwig 12(1). | | | | | |
| CAMPBELL CONFERENCE | | | | | | | | | | | |
| Morris Division | | | | | | | | | | | |
| W | L | T | Pts | GF | GA | | | | | | |
| Minnesota | 27 | 14 | 4 | 58 | 133 | | | | | | |
| Chicago | 15 | 19 | 3 | 33 | 127 | | | | | | |
| St. Louis | 14 | 16 | 3 | 31 | 147 | | | | | | |

NBA Leaders

| SCORING | | | | | | | | | | Utah | | | | | | | | | | | | | | | |
|-----------------------|-----|-------|-------|-----|-------|-----|-----|-------|-----|--------------|-------|-----|--------------|-------|------|------|-------|-----|-----|-------|-----|-----|-----|----|-----|
| G | PTS | FG | FT | AST | REB | BLK | STL | TOV | PF | G | PTS | FG | FT | AST | REB | BLK | STL | TOV | PF | | | | | | |
| Danbury, Utah | 27 | 261 | 111 | 83 | 30 | 0 | 0 | 0 | 0 | Detroit | 27 | 241 | 111 | 83 | 30 | 0 | 0 | 0 | 0 | | | | | | |
| Aguirre, Del. | 27 | 218 | 174 | 81 | 31 | 0 | 0 | 0 | 0 | Los Angeles | 27 | 218 | 174 | 81 | 31 | 0 | 0 | 0 | 0 | | | | | | |
| Vanderbilt, Del. | 26 | 201 | 100 | 31 | 28 | 0 | 0 | 0 | 0 | Portland | 26 | 201 | 100 | 31 | 28 | 0 | 0 | 0 | 0 | | | | | | |
| Gervin, S.A. | 30 | 304 | 194 | 84 | 28 | 0 | 0 | 0 | 0 | San Antonio | 30 | 304 | 194 | 84 | 28 | 0 | 0 | 0 | 0 | | | | | | |
| English, Del. | 29 | 286 | 124 | 76 | 25 | 0 | 0 | 0 | 0 | Phoenix | 29 | 286 | 124 | 76 | 25 | 0 | 0 | 0 | 0 | | | | | | |
| Frank, Cal. | 29 | 286 | 109 | 77 | 23 | 0 | 0 | 0 | 0 | New Jersey | 29 | 286 | 109 | 77 | 23 | 0 | 0 | 0 | 0 | | | | | | |
| Roland, Wash. | 29 | 286 | 109 | 77 | 23 | 0 | 0 | 0 | 0 | Kansas City | 29 | 286 | 109 | 77 | 23 | 0 | 0 | 0 | 0 | | | | | | |
| Manley, Del. | 26 | 271 | 109 | 62 | 23 | 0 | 0 | 0 | 0 | Philadelphia | 26 | 271 | 109 | 62 | 23 | 0 | 0 | 0 | 0 | | | | | | |
| Tripp, Del. | 27 | 226 | 103 | 63 | 22 | 0 | 0 | 0 | 0 | San Diego | 27 | 226 | 103 | 63 | 22 | 0 | 0 | 0 | 0 | | | | | | |
| Devlin, Phil. | 27 | 242 | 88 | 61 | 23 | 0 | 0 | 0 | 0 | Philadelphia | 27 | 242 | 88 | 61 | 23 | 0 | 0 | 0 | 0 | | | | | | |
| REBOUNDING | | | | | | | | | | Houston | | | | | | | | | | | | | | | |
| G | Off | Def | Total | Avg | FG | FT | AST | REB | BLK | G | Off | Def | Total | Avg | FG | FT | AST | REB | BLK | | | | | | |
| Alabrese, Phil. | 24 | 22 | 225 | 307 | 12.8 | 0 | 0 | 0 | 0 | Golden State | 24 | 129 | 198 | 327 | 13.6 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Roland, Wash. | 27 | 109 | 226 | 335 | 12.4 | 0 | 0 | 0 | 0 | New York | 27 | 109 | 226 | 335 | 12.4 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Laubmeier, Del. | 28 | 114 | 225 | 339 | 12.3 | 0 | 0 | 0 | 0 | Washington | 28 | 114 | 225 | 339 | 12.3 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Williams, N.J. | 28 | 125 | 200 | 325 | 11.6 | 0 | 0 | 0 | 0 | Chicago | 28 | 125 | 200 | 325 | 11.6 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Gilmore, S.A. | 29 | 112 | 201 | 313 | 10.8 | 0 | 0 | 0 | 0 | | 29 | 112 | 201 | 313 | 10.8 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Robinson, Cal. | 29 | 65 | 248 | 313 | 10.8 | 0 | 0 | 0 | 0 | New York | 29 | 65 | 248 | 313 | 10.8 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Shaw, Del. | 27 | 88 | 201 | 289 | 10.7 | 0 | 0 | 0 | 0 | Milwaukee | 27 | 88 | 201 | 289 | 10.7 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Lucas, Phil. | 29 | 93 | 215 | 308 | 10.6 | 0 | 0 | 0 | 0 | Cleveland | 29 | 93 | 215 | 308 | 10.6 | 0 | 0 | 0 | 0 | 0 | | | | | |
| Portis, Del. | 28 | 87 | 217 | 304 | 10.5 | 0 | 0 | 0 | 0 | Washington | 28 | 87 | 217 | 304 | 10.5 | 0 | 0 | 0 | 0 | 0 | | | | | |
| FIELD GOAL PERCENTAGE | | | | | | | | | | Atlanta | | | | | | | | | | | | | | | |
| FG | FGA | PCT | FT | FTA | PCT | AST | REB | BLK | STL | TOV | PF | PTS | FG | FGA | PCT | FT | FTA | PCT | AST | REB | BLK | STL | TOV | PF | PTS |
| Roland, Wash. | 210 | 341 | 61.6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Boston | 210 | 341 | 61.6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Laubmeier, Del. | 125 | 204 | 61.3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Washington | 125 | 204 | 61.3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| McGee, S.A. | 153 | 250 | 61.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Indiana | 153 | 250 | 61.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gilmore, S.A. | 156 | 255 | 61.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Portland | 156 | 255 | 61.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Johnson, L.A. | 164 | 271 | 60.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Phoenix | 164 | 271 | 60.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Robinson, Cal. | 159 | 266 | 59.8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Golden State | 159 | 266 | 59.8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shaw, Del. | 156 | 266 | 59.8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Dallas | 156 | 266 | 59.8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lucas, Phil. | 161 | 272 | 59.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Kansas City | 161 | 272 | 59.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Portis, Del. | 151 | 272 | 55.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Seattle | 151 | 272 | 55.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Devlin, Phil. | 213 | 364 | 58.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | San Antonio | 213 | 364 | 58.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TEAM OFFENSE | | | | | | | | | | Los Angeles | | | | | | | | | | | | | | | |
| G | Pl. | Avg | Pl. | Avg | G | Pl. | Avg | Pl. | Avg | G | Pl. | Avg | Pl. | Avg | G | Pl. | Avg | Pl. | Avg | | | | | | |
| 26 | 101 | 124.5 | 26 | 101 | 124.5 | 26 | 101 | 124.5 | 26 | 101 | 124.5 | 26 | 101 | 124.5 | 26 | 101 | 124.5 | 26 | 101 | 124.5 | | | | | |

ART BUCHWALD New Year's One-Liners

WASHINGTON — It's New Year's Eve and you're speechless. Stick this in your wallet or purse and become the hit of the party.

"My daughter gave up her Cabbage Patch doll for adoption."

"If Ed Meese thought Scrooge was the victim of a bad press, remember what he did to Count Dracula."

"I don't see how you people can celebrate New Year's Eve when Premier Nakasone lost 36 seats in the Japanese elections last week."

"I always cry at the end of 'Love Boat.'"

"George makes spare parts for the Pentagon."

"Would anyone like to come over to our house after dinner and see a videotape of 'The Day After'?"

"Try this cheese. We got it standing in line at a government warehouse."

"My kid managed to break into the Chrysler computer and ordered it to ship 1,000 trucks to Lee Iacocca's house for Christmas."

"I don't see why you have to have 'The Right Stuff' to be an astronaut."

"If you want to know what the Germans really think of us, read 'Hitler's Diaries.'"

"You'll never get a nuclear arms treaty with the Soviets by sitting down and talking to them."

"I wish Ronald Reagan would grow a beard."

"Does anyone know if Andropov's health is improving?"

"Should we all drink a toast to Australia for winning the America's Cup?"

"If I marry Joanna Carson, she'll never get \$50,000 a month out of me."



Buchwald

Alcohol-Free Wine Tested

The Associated Press
SARATOGA, California — Joseph E. Seagram & Sons Inc., the largest U.S. distiller, is test-marketing a virtually alcohol-free wine. Similar drinks have been introduced in Italy and Australia.

A Low-Key Monaco Wedding Princess Caroline, Stefano Casiraghi Will Marry In a Private Civil Ceremony Today

By Hebe Dorsey

International Herald Tribune
WHEN Princess Caroline of Monaco, 23, at 11:30 a.m. today in a civil ceremony, it will be a total contrast to her first wedding, to Philippe Junot in 1978.

The romance with Junot dragged on and on, with the princess reportedly opposing it. This time, the couple met only a year ago — some reports have them meeting in a nightclub, others at friends' — and the wedding was announced abruptly Dec. 20, with only nine days to go. When Junot married Caroline, he was 33, the princess 21. The first wedding attracted 200 reporters and 60 guests from all over the world, including royalty and Frank Sinatra. This time, the ceremony will be private, with only the families and witnesses — 30 people in all, a Monaco spokesman said — in the Salle des Glaces of the palace. There will be a luncheon for a small group of friends afterward, in contrast to last time, with three-hundred women at a white-tie ball and 1,500 Monegasques jamming the reception.

The bride's request for an annulment of her first marriage is being reviewed by a three-judge panel at the Vatican; she and Junot were divorced in 1980. She won't wear white this time but a short, pinky-beige satin dress by Marc Bohan of Dior, her favorite designer. He got some help from her younger sister, Stephanie, who has been working as an assistant to him in the last few months.

Alexandre de Paris, who usually does the royal coffers on such occasions (and who, together with Bohan, has received Monaco's Order of Saint Charles — "which is like the Legion of Honor," says Alexandre), has not been asked to perform "because," he said, "it's strictly private. Her hair is short" (apparently he meant it had been cut recently). "She won't have any problems."

All these changes reflect the sadness still surrounding Princess Grace's death. Since then, a grieving Caroline, who hides a solid core under a bubbly facade, has served in many charitable causes, including Princess Grace's hospital and the Princess Grace Foundation, which benefits the arts.

Caroline, who now gets upset at the sight of a camera, is making sure that this wedding won't turn into "a three-ring circus," as she called her first one. There is also the fact that the groom, the son of a wealthy industrialist from Milan, is aware of the perils of the rich. A friend of the princess said he insists on her traveling around Paris in an armored car with a bodyguard. "Despite their age difference, he is very mature," the friend said. "With him, she feels protected."

Casiraghi, who is one of four children, is largely unknown to French society. "Nobody knows the family," said a puzzled baron who is a member of Le Tout Paris. In Italy, Casiraghi is known as a playboy or as "one of the true lions of the jet set," as the newspaper Corriere della Sera described him. He is said to love fast cars (he reportedly got his first Maserati when he was 18) and beautiful women (his last flame was Finuccia Machado, a beauty from southern Calabria, to whom he was reportedly engaged when he met Princess Caroline). He loves dancing but the palace of Monaco denied that he was part-owner of a Milan nightclub, Caffè Roma.

Despite his flamboyant image, the tall, blond and handsome Casiraghi has a lot going for him. He comes from a tightly knit family. His parents own a palatial home, Le Cigogne, in Fiume Monasque, on Lake Como, as well as a yacht and a villa in Saint-Jean Cap Ferrat in the south of France. His father is a millionaire who made his money in air conditioners, real estate and oil, but the young Casiraghi is said to be determined to make it on his own. He studied economics at Bocconi University in Milan, considered the most prestigious business school in Ita-

ly, and started his own real estate firm. He also heads a prosperous import-export business, which manufactures Oscar de la Renta shoes, among other things.

The couple will live partly in Monaco and partly in Italy, a spokesman for Monaco said.

In the last few weeks, Caroline-watchers have noticed a distinctly happy change in the princess as she went with Casiraghi everywhere — including a recent French Vogue party at Maxim's, for which she was guest editor. The issue, with her portrait by Andy Warhol on the cover, opens with a picture of Caroline taken in 1962, and includes her first "Once upon a time" story, done when she was 6, which deals with Monaco affectionately, in misspelled French. It is followed by pictures from the family album, including "the house of my grandfather, where I now live," plus fond memories of past Christmases, reflecting her intense love of nest and family.

But nothing gave away her romance, and even many of her best friends were shocked to learn the news through the press. The princess met her in-laws at their villa last fall and Casiraghi was introduced to Prince Rainier shortly afterward. He was then invited to a shoot at the Chateau de Marchais, near Paris, where the family often goes on weekends. According to Elle magazine, the couple were secretly engaged in October — since then, Caroline has been wearing a ring with three differently colored sapphires. But very little appeared on Casiraghi. People who have met him describe him as quiet, secure, well-mannered and reserved. "He hardly opens his mouth," said a friend, adding that this makes for a good balance with the animated Caroline.

Although many magazines have jumped on Caroline's love story, generally wishing her well, few have been as happy as the Italian papers and magazines. "If Casiraghi, ce l'ha fatta," (Casiraghi, he's done it), crowed Dom-

enica del Corriere. "It's the triumph of Italian moles," another journal wrote. Others predict that Caroline's glamour and star-quality attract Italians to Monaco as her mother's attracted Americans. Rich Italians — many big

spenders have already made Monaco a second home — are likely to flock there in even greater numbers now, and their presence should help Monaco regain its place as the star attraction of the French Riviera.

Stefano Casiraghi and Princess Caroline.

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Stefano Casiraghi and Princess Caroline.

PEOPLE

Charles Called Interested In Psychic Phenomena

Prince Charles has taken a personal interest in the investigation of poltergeists, spoon-bending and other paranormal phenomena, the Daily Mail has reported. The prince, who is chancellor of the University of Wales, has written to senior staff there urging them to take advantage of \$700,000 left by writer Arthur Koestler for the study of the paranormal. Koestler committed suicide with his wife in March. A Buckingham Palace official declined to discuss the contents of the letter, calling it "a private matter" between the prince and the university.

The U.S. first lady, Nancy Reagan, and nine actresses and singers, including Diana Ross and Britain's Sheena Easton, were named by the Top 10 Female Style Makers by the 52,000-member National Hairdressers and Cosmetologists Association. Also named were the actresses Linda Evans, Linda Gray, Susan Lucci, Donna Mills, Jaclyn Smith and Britain's Joan Collins, and the singer Pat Benatar.

Loretta Swift, who played Major Margaret (Hot Lips) Houlihan on the television series "M*A*S*H," has married Dennis Holahan, an actor, whom she met during filming of the show that ended the series' 11-year run earlier this year.

Malcolm Fraser, former prime minister of Australia, has been named a distinguished fellow of the conservative American Enterprise Institute. He joins another distinguished fellow, former U.S. President Gerald R. Ford, a man of many other boards and fellowships.

Quote of the day: Malcolm Baldrige, U.S. commerce secretary, commenting on 1984 as the Year of the Secretary: "The performance of the national economy increasingly depends on the productivity of the office in both the private and public sectors. In honoring secretaries, we recognize their key importance in achieving productivity gains made possible through the new word processors and computers... to a dedication and professionalism that benefit all Americans through lower costs for goods and services."

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